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Tribune

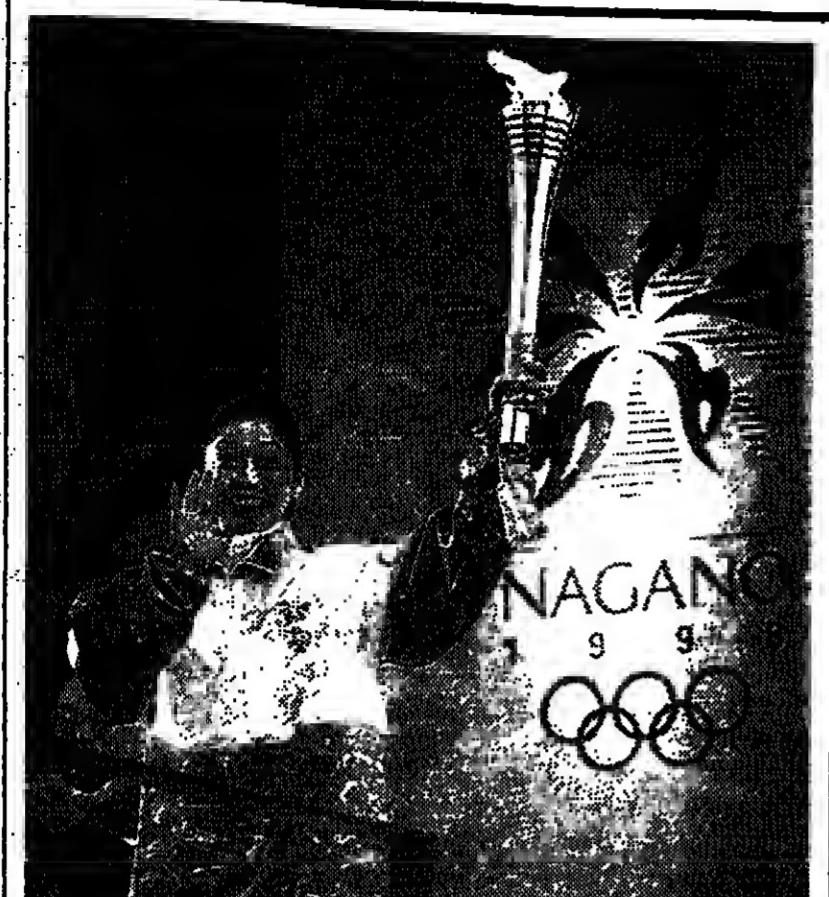
Quarterly Scoreboard Page 15
TODAY

The World's Daily Newspaper

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No. 35,749



The former Olympic ice skating champion Kristi Yamaguchi holding the torch during the lighting ceremony in Nagano on Saturday.

At Opening Ceremony, A Call for World Peace

Winter Games Begin With Simplicity

By Jere Longman
New York Times Service

of Beethoven's "Ode to Joy."

The climactic movement of Beethoven's Ninth Symphony is performed at every Olympics, according to the wishes of Pierre de Coubertin, the French baron who is considered the father of the modern Olympic movement. But Saturday's performance was particularly ambitious and stirring as it incorporated both musical and technological virtuosity.

As 50,000 spectators gathered under an azure midday sky, filling a stadium ringed by the majestic Japan Alps, "Ode to Joy" was performed by choruses from five continents, linked simultaneously by satellite and symbolizing the interlocking Olympic rings.

Seiji Ozawa, music director of the Boston Symphony, conducted 200-member choruses in New York, Berlin, Beijing, Sydney, and Cape Point, South Africa, which were connected by time-lag technology to 90 singers in the Nagano Prefecture Culture Hall and 2,000 singers at Minami Stadium.

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U.S. Commander Sounds Alert on Indonesia Unrest

By Michael Richardson
International Herald Tribune

SINGAPORE — A senior U.S. commander has expressed concern that Indonesia could be on the verge of social and political instability.

The question of domestic turbulence is critical to the U.S. military because of fears that instability in Indonesia could jeopardize secure the passage of American warships through the Strait of Malacca, the quickest route between American bases in the Pacific and such flash points as the Gulf.

Such instability could unleash nationalist or Islamic forces hostile to the United States and opposed to the presence of U.S. military forces in the region and in the Malacca strait, which separates Malaysia and Singapore from the Indonesian island of Sumatra and links the South China Sea and the Indian Ocean.

Mr. Suharto's generally pro-Western London.

"It's a really tough situation," Admiral Prueher said, Reuters reported. "Even if all the good decisions are made, there is trouble ahead. There is no economic and political stability. We're trying to work in an economic, political and military way to be as supportive as we can to try to bring this back in line."

Referring to recent riots by majority Muslims in some parts of Indonesia, which were triggered by reports of food hoarding and price increases by ethnic

Chinese shopkeepers, Admiral Prueber reportedly said: "The word 'amok' is a Malay word. Indonesians will riot at the drop of a hat, so it is a very tough issue."

This view of turbulence ahead in Indonesia, the world's fourth most populous nation, arises because of a looming recession triggered by financial turmoil; increasing unemployment, social unrest, and ethnic and religious tension; and the unsettled question of who will succeed President Suharto, who has held power for 32 years but is now 76 and in suspect health.

In unusually candid comments, the commander of U.S. forces in the Pacific, Admiral Joseph Prueher, said that the Indonesian authorities had many problems to grapple with and that the nation's institutions were weaker than they should be to cope with those problems.

"And so I worry about the stresses and strains on the government," he said in a speech Monday to the Royal United Services Institute for Defense Studies in London.

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Newsstand Prices

Andorra	10.00 FF Lebanon	LL 3,000
Antilles	12.50 FF Morocco	16 Dh
Cameroun	1,600 CFA Qatar	10.00 QR
Egypt	EE 5.50 Réunion	12.50 FF
France	10.00 FF Saudi Arabie	10 SR
Gabon	1,100 CFA Senegal	1,100 CFA
Italy	2,800 Lire Spain	225 Pesas
Ivory Coast	1,250 CFA Tunisia	1,250 Din
Jordan	1,250 JD U.A.E.	10.00 Dh
Kuwait	700 Fils U.S. Mil. (Eur.)	\$1.20

Buenos Aires — The process known awkwardly as "globalization" is many things. It is the information society. It is the erosion of national sovereignty. It is footloose corporations taking investments where labor is most productive. It is the growing premium on technical skills — and the growing plight of unskilled laborers.

It is also the daily flow across borders of more than \$1.5 trillion, from investors and traders seeking to maximize profit and minimize risk and moving, at times of crisis, with all the disarray of a herd.

For them, Seoul and São Paulo, Bangkok and Buenos Aires are one interchangeable "funny world": developing nations that threaten the annual bonus.

"What you realize with the Asian crisis," said Ken Baxter, a Brazilian banker, "is that when

there's a stampede in this postmodern world, you don't have time to say, 'Hey, look, cattle, you've got it all wrong!'"

Argentina, unlike Brazil, was supposed to have it all right. During the 1990s it adopted the International Monetary Fund program that Brazil has shunned. Abandoning decades of anti-Americanism, it won the status of "major non-NATO ally" by hitching its sails to Washington's whims in a way many Brazilians consider demeaning. It tied its currency so closely to America's that the dollar is available in bank cash machines and Argentines think nothing of buying their burgers and newspapers with dollars.

The transformation was stunning, and made Argentina a paradigm of the newly globalized economy. The national airline, the postal service, banks — all the enterprises, it seemed, that Pres-

See GLOBAL, Page 13



OKINAWAN DEFENSE — Governor Masahide Ota announcing Friday that Okinawa has decided not to accept plans to build a new U.S. heliport, paralyzing a key U.S.-Japan defense accord. Page 4.

In South America and Asia, Discovering Globalization's Perils

Argentina, a Paradigm, Gets a Rude Surprise

By Roger Cohen
New York Times Service

There's a stampede in this postmodern world, you don't have time to say, 'Hey, look, cattle, you've got it all wrong!'"

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By Seth Mydans
New York Times Service

SURABAYA, Indonesia — At precisely 3 P.M., the heavy blue gate of the Gunawan steel plant slid open and hundreds of young men poured through to hear an announcement they dreaded. Would their factory reopen in the morning, and would all of them still have jobs if it did?

As they parked their motorbikes, they faced an intimidating sight: dozens of police officers, soldiers and plainclothes security men, watching them carefully along with the local army commander and the city's police chief.

The announcement in the factory's courtyard on Thursday, in the words of another worker, was: "Good but also bad."

Gunawan steel will reopen for now, reversing a plan to close its gates permanently. But they were told that when they arrived for work Friday morning,

90 of the plant's 650 workers would have no jobs.

The men in the courtyard, squatting on the ground and hugging one another as they listened, received the announcement in silence. When it was over, they boarded their motorbikes and quickly disappeared.

It was a moment of truth for both the workers and the security forces, who have geared up around the country for a violent reaction as millions of Indonesians lose their jobs because of the country's deepening recession.

And it was a moment that is due to be repeated hundreds of times in the days ahead as workers return from an extended Muslim holiday to factories whose business is contracting sharply as their costs and their debts expand to crippling levels.

In Jakarta on Thursday, 650 kilometers (400 miles) to the west, government officials raised their estimate of the country's unemployed by one

See WORKERS, Page 13

Forcefully, Clinton Rejects Resigning Over Allegations Of Impropriety

Lawyer for President's Secretary Denies Reports She Was Urged To Shade Account to Grand Jury

By Brian Knowlton
International Herald Tribune

WASHINGTON — Even with the British prime minister at his side and a military buildup around Iraq in progress, President Bill Clinton was forced at a press conference Friday to fend off questions about his relationship with Monica Lewinsky and emotionally rebuff a question about resignation.

"Never," he responded firmly, when asked at what point he would consider stepping aside because of the allegations of sexually inappropriate and obstruction of justice. He added: "I would never walk away from the people of this country and the trust they've placed in me."

After confronting fresh headlines Friday morning that his personal secretary, Betty Currie, had secretly cooperated with investigators working with the independent counsel Kenneth Starr, the White House was able to cite a strong statement from her attorney, Lawrence Wechsler, denying the characterization of her reported testimony.

The New York Times reported Friday that Mr. Clinton had met with Mrs. Currie and asked her leading questions in an apparent effort to coach her to say that he had never been alone with Ms. Lewinsky, once a White House intern.

Mr. Wechsler issued this statement: "I want to be absolutely clear. To the extent there is any implication or the slightest suggestion that Mrs. Currie believed that the president, or anyone else, tried to influence her recollection, that is absolutely false and a mischaracterization of the facts."

Mr. Clinton refused to be drawn out on details of the Lewinsky case, citing an injunction to parties in the Paula Jones lawsuit against him not to discuss it outside the courtroom.

Referring to the articles about Mrs. Currie, however, he said, "I never asked anybody to do anything but tell the truth."

Mr. Clinton also spoke more candidly than before about the pain and sense of embattlement he has felt since the allegations first surfaced that he had had an affair with Ms. Lewinsky and then sought to get her to lie about it.

"The pain threshold, at least for our side, of being in public life today has been raised," he said. "But to give into that would be to give into everything that I fought against and that got me into this race in 1991."

See CLINTON, Page 4

4,000 Said to Die In Afghan Quake



The Associated Press

KABUL — A powerful earthquake jolted Afghanistan's remote northeast, killing as many as 4,000 people, an Afghan official said Friday.

The quake hit the city of Rustaq, 280 kilometers (175 miles) north of Kabul, said Sher Mohammed, a spokesman for the military alliance that controls the area. The alliance is fighting the Taliban regime that controls most of the country.

The quake, which had a magnitude of 6.1, occurred Wednesday, but news of the devastation reached Kabul only Friday.

See KOREA, Page 4

Korean Unions Reluctantly Agree to Layoffs

By Don Kirk
International Herald Tribune

SEOUL — South Korean government, business and labor leaders, seeking to improve the nation's ailing economy, reached a sweeping agreement Friday that would legalize mass layoffs.

"We have hope for this country," said President-elect Kim Dae Jung, reflecting the sense of relief shared by the incoming and outgoing governments. "We have paved the way for another leap."

Participants praised the agreement as giving flexibility to debt-ridden companies confronted by bank-

ruptcy and rapidly declining sales. Representatives of labor, business and government finished a draft of the legislation, which is expected to be passed by the National Assembly next week, after three weeks of negotiations and an all-night bargaining session.

Leaders of the Federation of Korean Trade Unions and the Korean Confederation of Trade Unions, accustomed to lifetime employment, reluctantly abandoned their no-layoff stance in return for several concessions, including unemployment insurance, legal recognition of a national teachers union, and the right of unions to participate in politics.

"It's a very fragile agreement," said Yoon Young

Mo, international secretary of the Korean Confederation of Trade Unions, a militant organization that led a monthlong strike against labor legislation a year ago. "It requires the government and the president-elect to do everything possible to win the confidence of workers."

The group called off plans for a three-hour sit-down strike Friday afternoon by its 600,000 members, most of them in heavy industries.

Leaders of the conglomerates, known as *chaebol*, hailed the agreement as "a gallant act." The Fed-

See KOREA, Page 4

AGENDA

U.S. Jobs Data Rally Global Markets

Compiled by Our Staff From Dispatches

The United States added more jobs than expected in January, with non-farm jobs rising 358,000 as the unemployment rate held steady at 4.7 percent, just above a quarter-century

low. Labor Department figures showed.

The news powered the stock exchanges in Paris and London to record levels and gave a strong boost to Wall Street. Page 9.

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See KOREA, Page 4

The Dollar

	Friday @ 4 P.M.	previous close
DM	1.8083	1.787
Pound	1.8435	1.8543
Yen	124.01	123.555
FF	6.058	5.938

The Dow

	Friday close	previous close
Books	+72.24	8189.49
Crossword	Page 5	Page 18
Opinion	Page 6	Pages 18-19
Sports	1012.45	1003.54

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Clinton Tells Italy He's 'Heartsick'

President Pledges 'No-Holds-Barred' Probe of Cable-Car Disaster

Compiled by Our Staff From Despatches

WASHINGTON — President Bill Clinton said Friday he was "heartsick" over a fatal cable-car disaster in Italy caused by a low-flying U.S. warplane, and promised a "no-holds-barred" investigation.

"The whole thing has been an agony for the people of Italy," Mr. Clinton said at a televised White House news conference. He said he had telephoned the Italian prime minister, Romano Prodi, "and I told him that I was heartsick about it, that I would make absolutely sure there was a no-holds-barred full investigation of what happened and that the Italians would be kept fully informed."

Mr. Clinton said military flights such as the one involved in the disaster were "inherently dangerous" but pledged, "I will do everything I can to find out what happened and take appropriate action and to satisfy the people of Italy that we have done the right thing."

The U.S. military acknowledged earlier on Friday that the EA-6B Prowler that caused the disaster in the Dolomites in which 20 people were killed was flying far too low. The twin-engine Marine Corps jet is based at Aviano, Italy, part of the NATO-led effort to patrol Bosnia.

In Bologna on Friday, Mr. Prodi said there could be no justification for the low altitude of the plane.

"It was a clear, indisputable violation of the law," he said in a speech at a trade union meeting. "Nothing can justify flying so low as to cut the cables of a cable car."

The plane sliced through the cables at the resort of Cavalese in northern Italy, sending the victims hurtling to their deaths on Tuesday. The dead included a 13-year-old boy and tourists from Italy, Germany, Belgium, Poland, the Netherlands and Austria.

The U.S. military also said Friday that it had handed over a flight recorder to Italian investigators.

Officials at Aviano had said the plane carried no voice or flight data recorder. But late Thursday, it handed over a "mission recorder," said Sergeant Tom Adams, a Marine spokesman at the base.

"There is nothing called specifically a 'black box' involved in all this," Sergeant Adams said. "The thing that's been in question in the last couple of days is actually a mission recorder." The device records certain elements of the flight path of the airplane.

The spokesman said he did not have any information on what was on the recorder.

But Francantonio Granero, the Italian prosecutor investigating the accident, said he was told some of the data might be missing because the device was improperly removed from the plane.

He said he was told the pilot removed the device when he returned to base on Tuesday after the deadly flight. But the pilot neglected to first turn off an electrical circuit that may have resulted in some loss of data, Mr. Granero said he was told.

Authorities at the base issued a statement Friday saying the plane was "well

below the approved minimum altitude" when it severed the cable.

It also said the cable car was within the plane's flight path, a corridor 10 nautical miles (18.5 kilometers) wide.

A key point of dispute has been whether the pilot was flying lower than the 500-foot (152-meter) minimum.

"There would not have been any danger had the plane kept to the rules," Defense Minister Beniamino Andreatta told a special joint session of the Italian Parliament on Thursday.

"What happened is incomprehensible," he said.

Mr. Andreatta said the plane flew under the cable and that it was nearly 6 miles (9.5 kilometers) off its assigned route.

Defense Secretary William Cohen telephoned Mr. Andreatta to offer apologies for the accident and promise it would be fully investigated.

Mr. Cohen said in an appearance before a House of Representatives committee on Thursday that the U.S. government was immediately establishing a \$100,000 fund for families of the victims while the accident was being investigated.

"We wanted to make this gesture in time of need," he said.

Lieutenant Daniel Christmas, a Marine spokesman at the Pentagon, said on Friday in response to questions that the plane's crew would normally remain under U.S. legal jurisdiction under a routine status-of-forces agreement between the United States and Italy.

(Reuters, AP)



Reuters/Bettmann/The Associated Press
U.S. General Michael Delong leaving the Trento tribunal Friday after meeting with the local prosecutor who is investigating the accident.

VW's 'Last Supper' Ads Upset Paris Archbishop

Reuters

PARIS — The Roman Catholic archbishop of Paris criticized a French advertising company Friday for using the "Last Supper" and other holy themes to sell Volkswagen's Golf automobiles.

In an article published in the daily *Le Monde*, Cardinal Jean-Marie Lustiger called the ad campaign by the German carmaker's agency in France, DDB-Needham France, a cynical attempt to sell products by any means. "Today, it's the Christ of Holy Thursday for a new Volkswagen, and tomorrow, who will it be, for yogurts and the new generation of portable telephones?" he asked.

France's bishops said Wednesday that they were suing Volkswagen and DDB-Needham France over ads depicting Christ praising the Golf at the Last Supper.

Germany Snuffs Out Bill to Restrict Smoking

By Alan Cowell
New York Times Service

BONN — Seventeen million German smokers wheezed a sigh of collective relief Friday after Parliament voted down a law that would have brought the beginning of nonsmoking regulations to one of Europe's most nicotine-prone lands.

Edgar Bauer, a no-smoking editor at the German Press Agency, was not one of them: Parliament's 336-256 vote Thursday, he wrote, meant that smokers could continue

to "dump into the air stinking, toxic and cancerous substances, in public and at their place of work, without general smoking bans and without fear of a fine."

Karsten Vilmar, the head of the German doctors' association, was not thrilled, either. People, he said, were not permitted to break wind in front of other people. "Why should they be allowed to smoke?" he asked.

The answer, arguably, lay in the relationship between Chancellor Helmut Kohl's government and a tobacco industry that pays about

\$14 billion a year in taxes at a time when the authorities are desperately seeking to balance their books so the country can qualify for the European common currency, the euro.

Even the health minister, Horst Seehofer — one of those same European Union health ministers who warn in writing on each pack of cigarettes sold in their countries that "Smoking damages health" and "Smoking causes cancer" — voted against the smoking ban. Mr. Seehofer said the legislation would have intruded into private lives.

Germany and Austria were the only two countries at a meeting of European Union health ministers this year to openly oppose a ban on cigarette advertising in Europe.

In Germany, the fog of cigarette smoke may still be found wafting over food in restaurants and along the corridors of bureaucratic power. There is no overall legislative protection for nonsmokers.

The defeated law would have required all companies to establish smoke-free areas and set aside rooms where smoking was permitted.

Selling Blacks on Cigarettes

Transit Ad Blitz Aimed at a Class of Heavy Smokers

By Barry Meier
New York Times Service

NEW YORK — A steady flow of tobacco industry documents released in recent days is providing the broadest and most detailed look at how the industry lavishly marketed cigarette brands like Kool to some of its heaviest-smoking customers, blacks.

The internal company records, from tobacco giants, including the R. J. Reynolds Tobacco Co. and the Brown & Williamson Tobacco Corp., show how the cigarette makers ran advertising blitzes in magazines, on billboards and buses and in other media to attract blacks, especially to mentholated brands such as Salem and Kool.

While the marketing of certain cigarette brands to blacks had long been evident, the documents provided new evidence of the importance of black smokers to the companies. They also led to calls from African-American and other-minority lawmakers, as well as from Dr. Louis Sullivan, the former secretary of health and human services, that some proceeds from any tobacco legislation enacted by Congress be directed toward minority communities.

One 1973 Brown & Williamson document, for example, showed that 17 percent of the company's promotional budget for Kool was spent on marketing to blacks, who made up only 10 percent of the population.

The same document, which looked at smoking trends among young people from the age of 16 to 24, recommended spending more to promote Kool on buses and in subways even though the company was already using "virtually all known vehicles to reach blacks effectively and efficiently."

"With this additional transit effort, Kool will cover the top 25 markets in terms of absolute Negroes," the document stated. Most of the documents at

issue were made public at recent congressional hearings on the proposed \$36.8 billion tobacco settlement, including one held Wednesday before the House Judiciary Committee.

Representative Bennie Thompson, Democrat of Mississippi, who heads a tobacco task force within the Congressional Black Caucus, said the agreement reached last year between tobacco producers and about 40 state attorneys general does not address the fact that minority groups have been among the most affected over the years by both cigarette marketing and smoking-related diseases.

"It was pretty much a white male group that put the settlement together, and the document reflects that," the lawmaker said.

The tobacco industry has long played a dual role in the minority community. Manufacturers such as Philip Morris Cos. have supported minority public affairs events and some politicians, and poured millions of dollars into advertising in newspapers that serve minority communities. But the rate of smoking among both blacks and American Indians is higher than the national average, federal statistics show.

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Balloonists Break A Second Record

The Associated Press

GENEVA — Three European balloonists set a second world record Friday, despite failing in their bid to orbit the globe.

Cruising toward Burma, the Breitling Orbiter 2 achieved the longest-ever nonstop, unrefueled flight at 11:09 GMT. It beat a record set in December 1996, when Dick Rutan and Jeana Yeager flew around the world in nine days and four minutes in an experimental plane.

On Tuesday, they broke the record for the longest time spent airborne in a balloon. That record — six days, two hours and 44 minutes — was set last year by the American balloonist Steve Fossett.

The balloonists abandoned their round-the-world attempt Wednesday because of China's delay in granting permission to enter its airspace. "For us the goal was really to fly around the world," a spokesman said.

TRAVEL UPDATE

Schiphol Flight Protest

THE HAGUE (Reuters) — Hundreds of people from the Dutch airline industry gathered outside Parliament on Friday to protest government environmental policy that has capped the number of flights at Amsterdam's Schiphol Airport.

Cabin crews from KLM Royal Dutch Airlines and charter airlines were joined by ground personnel from Schiphol and by travel agents. They petitioned the government to relax noise restrictions around Schiphol and allow an additional 40,000 flights this year at the airport.

Poles Look to Borders

WARSAW (AFP) — As a prospective member of the European Union, Poland is considering requiring visas for visitors from Belarus, Russia and Ukraine, Foreign Minister Bronislaw Geremek said Friday.

"Poland's future in the European Union is at stake," he said. The aim would be to stop members of organized crime and drug-trafficking groups from entering the EU via Poland.

WEATHER

Europe

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Maps, forecasts and data provided by AccuWeather, Inc. ©1998 - http://www.accuweather.com

Asia

	Today	High	Low	Wind	Cloud	Humidity
Almaty	40°F	42°F	37°F	N/C	80%	74%
Bangkok	80°F	82°F	75°F	SW	20%	62%
Beijing	74°F	78°F	63°F	E	30%	62%
Calcutta	78°F	82°F	68°F	SE	20%	62%
Chiang Mai	72°F	74°F	54°F	SE	20%	62%
Colombo	71°F	73°F	52°F	SE	20%	62%
Delhi	74°F	76°F	54°F	SE	20%	62%
Ho Chi Minh	74°F	76°F	54°F	SE	20%	62%
Hong Kong	71°F	73°F	51°F	SE	20%	62%
India	71°F	73°F	51°F	SE	20%	62%
Japan	70°F	72°F	50°F	SE	20%	62%
Kuala Lumpur	70°F	72°F	50°F	SE	20%	62%
Macau	70°F	72°F	50°F	SE	20%	62%
Taipei	70°F	72°F	50°F	SE	20%	62%
Tokyo	70°F	72°F	50°F	SE	20%	62%

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Almaty	32°F	34°F	27°F	SW	80%	62%
Bangkok	70°F	72°F	58°F	SE	20%	62%
Beijing	64°F	66°F	54°F	E	30%	62%
Calcutta	72°F	74°F	54°F	SE	20%	62%
Chiang Mai	62°F	64°F	42°F	SE	20%	62%
Colombo	61°F	63°F	42°F	SE	20%	62%
Delhi	64°F	66°F	44°F	SE	20%	62%
Ho Chi Minh	64°F	66°F	44°F	SE	20%	62%
Hong Kong	63°F	65°F	43°F	SE	20%	62%
India	63°F	65°F	43°F	SE	20%	62%
Japan	63°F	65°F	43°F	SE	20%	62%
Kuala Lumpur	63°F	65°F	43°F	SE	20%	62%
Macau	63°F	65°F	43°F	SE	20%	62%
Taipei	63°F	65°F	43°F	SE	20%	62%
Tokyo	63°F	65°F	43°F	SE	20%	62%

	Today	High	Low	Wind	Cloud	Humidity
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Clinton Strategy: A Covert Riposte

Aides Target Starr and the Media

By Richard L. Berke
New York Times Service

WASHINGTON — Responding to damaging news accounts about President Bill Clinton's relationship with a former intern, the White House has begun an aggressive behind-the-scenes counterattack, accusing the media of one-sided coverage based on leaked information from Kenneth Starr, the White House independent counsel.

Several White House officials warned reporters that if Mr. Starr or his associates disclosed confidential grand jury information to them, that would violate federal laws. While the officials stopped short of actually accusing Mr. Starr of leaking information, they were unusually pointed in making that suggestion.

"They're clearly trying to get their message out — and they're doing it in a fairly systematic way. But, so far, not in a threatening way."

Ms. Shipman dismissed the notion that reporters were being unfair.

"The White House would have to give us a little more credit than that," she said. "Everybody understands that every party in this investigation and crisis has an agenda. The White House has a very clear agenda as well."

The truth is that leaks — the unauthorized disclosure of secret or sensitive information — are a fact of life in every branch and every level of government. "The executive branch leaks like a sieve," said George Tenet, the director of central intelligence, in public testimony last week. "And there is no doubt about that. And you look at it carefully and there is guilt everywhere."

"Why?" he asked. "Because the press is the beneficiary of the leaks. If a bank robber was banding your money, you would not have a very powerful reason to report on that bank robbery."

Other White House officials, who would speak only if their names were not used, bluntly accused Mr. Starr of leaking confidential information. "You are witness to a crime," one official told a reporter. "This is wrong."

Sound under siege, the official added that the drumbeat of stories based on leaks may "do mortal damage to us."

Mr. Starr denied that leaks were coming from his office. "But I share the concern with any assault on the rule of law," he said in response to a question at a news conference in Little Rock, Arkansas. He went on, "I regret that there have been instances, so it would appear, when that rule has not been abided by." As to an order of confidentiality, he added, "I respect it scrupulously, and so does my staff."

Responding to Mr. Starr's comments, Joe Lockhart, a White House spokesman, said, "It's hard to square the comments of the respect for the secrecy of the grand jury with news reporters directly quoting the independent counsel's office." Explaining the impetus for White House efforts to contact reporters, he said, "We'd like to encourage some self-examination about the use of sourcing coming from this investigation."

In public comments on Thursday, White House officials were far more critical of Mr. Starr's investigation than of the media. Michael McCurry, the press secretary, was relatively tame in his comments about the media coverage at

his briefing on Thursday. Asked if it embarrasses the country when the president, standing next to a foreign leader, is asked about Monica Lewinsky, he said: "You are all pursuing this matter, and have pursued it with some zeal, and I think they, frankly, expect that."

Several reporters said they were receiving telephone calls from White House officials urging them to be careful in using leaks.

"Nobody has called up and said, 'He's a criminal,'" said Claire Shipman, a White House correspondent for NBC News, referring to Mr. Starr.

"They're clearly trying to get their message out — and they're doing it in a fairly systematic way. But, so far, not in a threatening way."

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Other White House officials, who would speak only if their names were not used, bluntly accused Mr. Starr of leaking confidential information. "You are witness to a crime," one official told a reporter. "This is wrong."

Sound under siege, the official added that the drumbeat of stories based on leaks may "do mortal damage to us."

Mr. Starr denied that leaks were coming from his office. "But I share the concern with any assault on the rule of law," he said in response to a question at a news conference in Little Rock, Arkansas. He went on, "I regret that there have been instances, so it would appear, when that rule has not been abided by." As to an order of confidentiality, he added, "I respect it scrupulously, and so does my staff."

Responding to Mr. Starr's comments, Joe Lockhart, a White House spokesman, said, "It's hard to square the comments of the respect for the secrecy of the grand jury with news reporters directly quoting the independent counsel's office." Explaining the impetus for White House efforts to contact reporters, he said, "We'd like to encourage some self-examination about the use of sourcing coming from this investigation."

In public comments on Thursday, White House officials were far more critical of Mr. Starr's investigation than of the media. Michael McCurry, the press secretary, was relatively tame in his comments about the media coverage at

Hungary Dam Deal Angers Ecologists

BUDAPEST — Environmentalists accused Hungary on Friday of not honoring an International Court of Justice decision to build a dam on the Danube to support Slovakia's Gabčíkovo hydroelectric project.

On Thursday, Hungary approved in principle an agreement with Slovakia that includes the building of a \$1 billion dam either at Nagymaros, 40 kilometers (25 miles) north of Budapest, or at nearly 100 kilometers downstream from Gabčíkovo, which would help it cope with costly fluctuations in water levels on the Gabčíkovo dam.

The fact that a second dam is being contemplated is believed ridiculous in terms of having a international court look at the same documents again. Prime Minister Pal醟 Weller of the National Peasant Party

denied

Austrian President Rebuffs a Pension

VIENNA — President Thomas Krammer on Friday rebuffed a pension proposal from the Social Democrats, the party he helped found in 1945.

Mr. Krammer, 51, who is the presidential candidate of the Social Democrats, had proposed a

new pension system

for the elderly.

The upper house of parliament, the National Council, has proposed a

new pension

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for the elderly.

For the Record

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Governor Of Okinawa Foils U.S. On Heliport

By Mary Jordan
Washington Post Service

TOKYO — The governor of Okinawa on Friday effectively killed plans for a new U.S. military heliport, paralyzing one of the most important defense agreements between Japan and United States in years.

"Okinawa had decided not to accept" the plan to build a floating platform anchored in Japanese waters, Governor Masahide Ota said at a news conference that he called to register his opposition. The platform was to measure 4,500 feet long (.370-meters).

The governor said the project, which would cost from \$1 billion to \$2 billion, would only add to the "heavy burden" that the U.S. military places on the Japanese people. Mr. Ota also said he wanted all 47,000 U.S. troops to go home.

Seventy-five percent of American military bases are in Okinawa, a chain of islands south of Tokyo that accounts for 1 percent of Japan's land.

Prime Minister Ryutaro Hashimoto remains a strong supporter of the U.S. military, as does his governing Liberal Democratic Party. But Mr. Ota has considerable public appeal and power over projects within his jurisdiction.

Mr. Hashimoto, already weighed down with nation's poor economy and government corruption scandals, found Friday that Mr. Ota had unraveled perhaps the most important achievement since he has been in office.

In 1996, Mr. Hashimoto and the U.S. ambassador at the time, Walter Mondale, announced that the United States would close a huge air base, consolidate other bases and reduce by 20 percent the land it occupies in Okinawa.

This was to be the biggest change in the U.S. military status in Japan in 25 years. But U.S. officials agreed to it with the understanding that the 1,200-acre (490-hectare) Futenma Air Station would shut down when another site was found.

Privately, U.S. defense officials say Tokyo's inability to provide a new site for landing aircraft throws into question whether the national government has the power to follow through on important military agreements. For example, if there is a war with North Korea, will Tokyo refuel and repair U.S. fighter jets, as Tokyo recently agreed, or will it be captive to local pacifist opposition?

While Tokyo feuds with Mr. Ota, the big loser may be the Pentagon, because public pressure is likely to mount for a withdrawal from Futenma without an alternative site, which U.S. officials have said is vital to maintain its military readiness in the Asia-Pacific region.

The U.S. military accident in Italy this week, where an American pilot sliced through a cable wire and killed 20 skiers, has added to the hostility among Okinawa activists who want the United States to leave. "The accident in Italy again shocks us and reminds us this can happen anytime U.S. forces are near," said Zenko Nakamura, an Okinawan activist. "That is why we want a military-base-free Okinawa."

The U.S. Embassy issued a statement Friday saying that it was "aware" of Mr. Ota's statement and "confident that the government of Japan remains fully committed" to the plan to consolidate the U.S. presence in Okinawa.

Given how long it takes to approve, plan and build an air base — the floating heliport was a complicated project never before attempted — it now seems assured that Futenma will not close by 2003.

Mr. Hashimoto, clearly disappointed Friday, said the governor was effectively freezing plans for the United States to abandon Futenma. "The problem will remain just as it is now," he said.

Residents around Futenma already caught up in grand plans to build a special economic development zone on the site of the base, reacted angrily Friday. One elected official from Ginowan City, Osamu Oshimori, said Mr. Ota's decision amounted to "treason."

Tokyo officials have done a lot to push the floating air strip, canvassing door-to-door in Nago, the town that would be nearest the anchored heliport, and promising a windfall of lucrative development projects and appealing tax cuts. But in December voters rejected the heliport by a vote of 16,639 to 14,267.

A mayoral election Sunday in Nago is shaping up as the second referendum on the military base. All polls predict the anti-heliport candidate will win, and Mr. Ota's remarks Friday bolstered the chances for this outcome.

JAKARTA: U.S. Admiral Fears Instability

Continued from Page 1

regime has so far contained these forces.

Colonel Thomas Boyd, chief of public affairs at the headquarters of the U.S. Pacific Command in Honolulu, questioned Friday about news agency reports of Admiral Preller's remarks, said they were fairly accurate.

"Any time a country looks as though it could be less than cooperative with the rights of transit passage through international straits would be of concern to us," Colonel Boyd said. "We do not think we are looking at that in Indonesia, but we are worried about how things are going there."

Two of the three U.S. aircraft carriers now in the Gulf off Iraq, accompanied by escorting ships and submarines, reached there from the Pacific through the Malacca strait.

"The United States," said Charles Morrison, a regional security specialist at the East-West Center in Honolulu, "has a major interest in doing



Rahul Gandhi, pointing at a Calcutta crowd, with his mother, Sonia.

Another Gandhi Enthralls India

By John F. Burns
New York Times Service

CALCUTTA — Day by day for most of the past month, Sonia Gandhi has drawn vast crowds across India to witness a mesmerizing odyssey — a bid by this 51-year-old native of Italy to follow in the footsteps of her assassinated husband and mother-in-law and take control of India's turbulent politics.

The scene that played out Thursday before a setting sun on the vast, grassy common in the center of Calcutta was like dozens of others since Mrs. Gandhi finally took the plunge into politics that Congress (I) Party stalwarts had urged, and she had avoided, since the suicide bombing that killed her husband, Rajiv, in 1991.

Like rolling thunder, the crowd that stretched into the distance raised repeated cries of "Sonia Gandhi zindabad!" ("Long live Sonia Gandhi"), as Mrs. Gandhi, in a maroon sari and with her son, Rahul, 25, at her side, ended her 10-minute speech.

As elsewhere on her campaign, she spoke almost entirely in Hindi, reading from a romanized text with a fluency that seemed to thrill many who heard it, despite her Italian accent and an occasional stumble over tormous words.

At rallies everywhere, from Tamil Nadu state in the deep south to the desert region of Rajasthan in the west to the teeming heart of West Bengal on Thursday, Mrs. Gandhi has shown a stunning ability to pull the sort of crowds — as many as 250,000 people — that regularly turned out for Rajiv Gandhi and Indira Gandhi, his mother.

Mrs. Gandhi was assassinated while he was campaigning for a second term as

prime minister. His mother was prime minister when she was assassinated by her own guards in 1984.

But it is not only Sonia Gandhi's crowd-pulling ability and her success in overcoming the fact that she has been an Indian citizen only since 1984 that have stunned many Indians.

Despite a previous reputation as an introvert with a deep distaste for the hurly-burly of Indian politics and a privately expressed fear of the specter of another assassination, Mrs. Gandhi has dominated the current election campaign with a barnstorming style that has pumped new hope into the deflated balloon of the Congress (I) Party.

General elections are scheduled between Feb. 16 and March 7.

Mrs. Gandhi's first rally on Jan. 11 at Sirperambudur in Tamil Nadu, where her husband was killed by a Sri Lankan terrorist, struck many who attended as more of a memorial service for Mr. Gandhi than a bare-knuckled political event.

But Mrs. Gandhi has since taken the gloves off, tackling issues that have been almost taboo in the Congress Party for years and striking out forcefully against the Hindu nationalist group that is the party's main rival in the election, the Bharatiya Janata Party.

At the Calcutta rally, Mrs. Gandhi assailed Hindu nationalists and at other sectarian groups, many of which are contesting the election under the banner of the United Front, a loose alliance that formed the minority government that collapsed in November.

Worried that her campaign could deny them the best chance they have ever had of gaining power, the Hindu nationalists have mocked Mrs. Gandhi, asking how

"a foreigner" and a "housewife" with an uncertain grasp of conversational Hindi can aspire to be prime minister.

Mrs. Gandhi has not said that she would want to be prime minister if Congress wins the election, and has chosen not to run for a seat in Parliament. But she has been introduced at almost every rally, as she was Thursday in Calcutta, as "the best prime minister" for the country, and most Congress veterans think that she would lead the government if there was a Congress sweep, with a safe parliamentary seat being opened up in a by-election.

For the moment, she has concentrated on refuting the charge that her Indian origin disqualifies her. References to the family she married into have been woven into every speech, starting with Jawaharlal Nehru, Indira Gandhi's father, who was India's first prime minister. But more than this, she has emphasized her love for India, and the losses she has endured there.

"My bean is buried in the soil of this land, and I am at one with you," she told the Calcutta crowd.

Despite the crowds at her rallies — 150,000 at Thursday's gathering in Calcutta — most Indian political commentators think that Mrs. Gandhi's effort may have come too late to have any realistic hope of returning Congress to power in New Delhi.

Unbeatable for most of the first 40 years after independence in 1947, Congress has been an increasingly sorry shell in the years since Rajiv Gandhi died. It has been riven with corruption and cronyism, and seemingly directionless under the leadership of aged acolytes of the Gandhi family.

UN Monitor Rejects Iraqi Offers; British Detail Weapons Stocks

By Christopher S. Wren
New York Times Service

the existence of prohibited Iraqi weapons stocks by distributing a report by their own government that tracks Iraq's acquisition of chemical and biological weapons in even more frightening detail than Mr. Butler and his inspectors have presented publicly.

The report, which draws primarily on the special commission's findings, was given by the British foreign secretary, Robin Cook, to Parliament on Wednesday before he traveled to Saudi Arabia.

An official with the special commission described the report as a "pretty good" summary of what is known about Iraq's development of weapons of mass destruction, but singled out a minor inaccuracy.

According to the report, the special commission determined that Iraq produced 4,940 gallons

(18,670 liters) of botulinum toxin, 2,184 gallons of anthrax and a total of 520 gallons of aflatoxin, which causes liver cancer, and clostridium, which causes gas gangrene. The officials said that these were only what Iraq admitted to having produced, and that the actual quantity could be more.

Since the Gulf War, the British report said, UN weapons inspectors have destroyed 38,000 chemical weapons components, 124,800 gallons of live chemical weapons agents, 48 operational missiles, six missile launchers and 30 special missile warheads for chemical and biological weapons.

The inspectors also found that the Al Hakam factory, which Iraq asserted was devoted to making animal feed, was capable of producing 13,000 gallons of anthrax and botulinum toxin. The site

was razed. Iraq has given three versions of its status regarding chemical weapons and four versions on biological weapons, the British report said, "all shown to be seriously inaccurate."

The British report said that the special commission was concerned that Iraq may still have concealed Scud-type missiles armed with chemical and biological warheads, and that critical missile components, warheads, and propellant were not accounted for. Nor are 17 tons of growth media for biological warfare agents, which is enough to make more than three times the amount of anthrax that Iraq admitted to having. In Iraq's chemical weapons program, the report said, 4,000 tons of precursors for chemical weapons and more than 31,000 chemical warfare munitions are unaccounted for.

IRAQ: U.S. and Britain Say They Are Prepared to Act*

Continued from Page 1

private conversations about Iraq, noted that the pressure of potential military action had "concentrated minds" in Baghdad and produced some movement toward a diplomatic solution. But the two men also agreed they must stick to a firm standard of "unfettered and unconditional access" by UN weapons inspectors to all suspect sites in Iraq, and not be fooled by a supposed diplomatic solution at the last moment that again proves illusory.

"Having cocked and recocked the trigger, we're getting some movement," a senior British official said. "That's not discouraging, and the fact that it may make life more complicated is O.K., because oo one is itching to pull the trigger."

But the two leaders spent "most of their conversation" on ways to proceed if the Russians or French suddenly announce a diplomatic solution — "how we nail it down, and bolt it down hard."

A senior U.S. official said: "We understand that given Saddam's history, more is required

from him than just a promissory note. We need to see early, clear evidence of implementation."

The officials said that in the event of a diplomatic solution, Richard Butler, chairman of the UN Special Commission of weapons inspectors, would be pressed to ask for immediate and continuing access to the most sensitive Iraqi sites, while all British and U.S. military forces remain on station. That period of testing implementation could last several months, the officials said.

There is an understanding that for the rest of the world, in particular the moderate Arab countries, it is vital that Washington and London let diplomacy run its course for another 10 days to two weeks.

But there is a parallel wariness about being sucked into a diplomatic solution that is fake or fragile and that repeats the experience of November, when Moscow got a quickly broken promise from Mr. Saddam to allow unrestricted UN inspections.

In the news conference, Mr. Clinton repeated that the current goal was a limited one: not to overthrow Mr. Saddam or refight the Gulf War, but to resolve "that very sharp question" about the unrestricted access of weapons inspectors in Iraq.

"I don't believe we need to refight the Gulf War," he said. "It's history. It happened, that's the way it is. I don't believe we need to get into a direct war with Iraq over the leadership of the country. Do I think the country would be better served if it had a different leader? Of course, I do. That's not the issue."

He added: "I think the precise question should be, that I should have to ask and answer is, Could any military action, if all else fails, substantially reduce or delay Saddam Hussein's capacities to develop weapons of mass destruction and to deliver them on his neighbors?"

He responded: "The answer to that, I am convinced, is 'yes.' I am convinced there is a 'yes' answer there."

Mr. Blair, for his part, said that it was "absolutely essential" that Mr. Saddam be "brought back into line" and that the UN inspectors be allowed to work.

KOREA: Accord on Layoffs

Continued from Page 1

eration of Korean Industries, an organization of chaebol chairmen, said it showed "our strong will to overcome the current crisis" and promised "every effort to re-enforce management transparency," one of the demands of the International Monetary Fund in its \$60 billion credit package last year.

The White House spokesman, Michael McCurry, responded angrily to the report in The New York Times and a similar one in The Washington Post.

He said he agreed with Ms. Lewinsky's lawyer, William Ginsburg, that Mr. Starr was engaged in an "orchestrated campaign" to pressure Ms. Lewinsky to provide an untrue account of her story.

The Associated Press reported that David Kendall, one of Mr. Clinton's private attorneys, was considering filing a motion before the special three-judge federal appeals court that appointed Mr. Starr, asking the panel to investigate the leaking of secret grand jury testimony.

Mr. Starr, speaking in Little Rock, Arkansas, said Friday that he was seeking the source of possible leaks. "I do not have an explanation," he said. "I am very concerned. I take it very seriously."

If there was an action of unprofessional conduct," he said, "we will find it out. I don't know that there was."

Mr. Clinton, asked about reports that his attorneys were considering legal action against the source of the apparent leaks, referred reporters to his attorneys.

The New York Times article about Mrs. Currie clearly inched a nerve in the White House. The Times reported that Mr. Clinton had called Mrs. Currie, his personal secretary, into his office on Jan. 18 and led her through an account of his relationship with Ms. Lewinsky that differed on one point from her recollection — the question of whether the president and Ms. Lewinsky were ever alone.

The Times quoted lawyers familiar with her account as saying that she had told investigators that the two were sometimes alone.

Mr. Clinton said he was pleased that Mr. Wechsler, his secretary's attorney, had stated "unambiguously" that she was "not aware of any unethical conduct."

Separately, a White House official said later that Mr. Clinton, in his meeting with Mrs. Currie, was trying to "jog his own memory," "not to alter her account."

The meeting came a day after Mr. Clinton provided a six-hour deposition, under oath, in the Jones civil suit.

A lawyer who reviewed the president's testimony quoted Mr. Clinton as saying

YEAR OF FIRE
Asia in the Kite
1992-93

Mandela Sets
High Targets
Economics
for Country

Mandela Sets Tough Targets In Economics For Country

Compiled by Our Staff From Dispatches

CAPE TOWN — President Nelson Mandela set tough economic and social targets Friday for South Africa ahead of elections next year that will close the first phase of transition from apartheid to democracy.

In his annual speech at the opening session of Parliament, Mr. Mandela said the government would remain committed to the tough targets of Finance Minister Trevor Manuel's growth and reconstruction program and urged the public to adopt a new morality against crime and self-enrichment.

"This is our call to all South Africans — to firm up the moral fiber of the nation," he said.

Mr. Mandela also announced plans to trim public-sector jobs, which, in spite of early promises to cut the state payroll, have grown by about 10 percent under democracy to 1.2 million employees in national and provincial governments.

"The government is not an employment agency," he said, but added, "Negotiations will need to take into account the principle that shedding jobs in the public service does not necessarily have to translate into worsening the problem of unemployment."

Mr. Manuel said later that an announcement of targets for job cuts would undermine negotiations with the public-sector unions that are to start within two weeks.

"What is clear is the fact that the president this morning said there is no room for equivocation," he said. "We've got our battle orders to get this thing in line."

Bond and foreign-exchange markets largely ignored Mr. Mandela's remarks, with analysts saying they were "nothing new," while opposition critics called the speech rhetoric.

Tony Leon, leader of the business-oriented Democratic Party, said the speech was unsatisfactory and unconvincing.

"The president announced no new measures to speed up privatization, reduce taxation or get rid of restrictive labor legislation," he said. "These are all essential ingredients of our future economic growth."

Mr. Mandela, who will be 80 in July, plans to retire when black and white South Africans vote next year for only the second time together.

Officials said his deputy and heir apparent, Thabo Mbeki, was deeply involved in writing the speech, which showed no relaxation of the commitment to fiscal discipline that his administration.

Mr. Mandela restated the government's commitment to cutting the budget deficit in the next two years to 3 percent of gross domestic product from 5 percent of gross domestic product last year.

"We cannot pretend that the deficits we set ourselves do not test our capacity and will," he said. "But we cannot divert from the course we have chosen. There is no other route to sustainable development."

He said South Africa would continue to privatize some state assets and to eliminate remaining foreign-exchange controls, which now affect residents but not foreign investors.

But he added that privatization would never become an ideology.

Those who benefited from apartheid — meaning the white minority — should help the country progress instead of stubbornly resisting change, Mr. Mandela said.

"This is a challenge to all of us, especially those whose past privileges have afforded them skills that are high in demand in public service, to volunteer skills to help improve the lot of the nation," he said. (Reuters, AFP, AP)



President Mandela during the opening session of Parliament on Friday.

South Africa Tries to Give Tough Journalist the Boot

By Donald G. McNeil Jr.

New York Times Service

JOHANNESBURG — In what critics say looks like an attempt to silence an irritating journalist, South Africa is deporting a prominent reporter who has written many articles that angered government officials.

The reporter, Newton Kanhema, a Zimbabwean, learned from news reports that he has lost his permanent resident status. The government says he falsely claimed on an immigration document to have lived here since 1991 but only moved permanently in 1992.

Mr. Kanhema is in the United States on a fellowship. But his wife, Jean, has been visited several times by immigration officials demanding that she leave by Wednesday. The government contends this is a routine deportation; Mr. Kanhema's backers say it is an effort to drive him out and deny him a court challenge by ejecting his wife while he is overseas.

Raymond Louw, deputy chairman of the Freedom of Expression Institute here, said: "It looks like they're using a technicality to get rid of a good professional journalist. Over the last few months, one gets the impression that the higher echelons of the ANC are trying to — I hesitate to use the word 'intimidate' — but to 'bring the press to order.' This is a government without a lot of experience of a watchdog press in a democratic environment."

Mr. Kanhema, an investigative and political reporter for the Sunday Independent and The Star, the country's largest newspaper, has written many articles that embarrassed the administration. Last year, he uncovered a \$1.5 billion deal to sell artillery to Saudi Arabia that Denel, a government-owned armaments company, was trying to keep secret. He later revealed that South Africa gave sanctuary to several generals who fled what was then Zaire with millions of dollars after the fall of the longtime dictator, Mobutu Sese Seko.

In November, on the eve of the ANC convention at which President Nelson Mandela handed over control of the party to his successor, Deputy President

Thabo Mbeki, Mr. Kanhema interviewed Mr. Mandela's former wife for a story in which she scathingly attacked the party leadership.

He recently wrote an article saying that the party, which is deeply indebted, was seeking money from Malaysian businessmen, hint that some of the donations ended up in private accounts.

Lagos Names a Street After Farrakhan

The Associated Press

LAGOS — City officials have renamed the street in front of the U.S. Embassy here after the Nation of Islam leader, Louis Farrakhan, two weeks after a New York City corner was named for the slain wife of a Nigerian dissident.

The renaming of Elele Crescent was done "in honor of the indefatigable visionary leader," said Alhaji Yahaya Dosunmu, a local official.

At the ceremony Thursday, no mention was made of the renaming in New York City, but the move was widely seen as retaliatory.

Over the objections of the Nigerian government, a street corner opposite the Nigerian UN Mission in New York was named Kudirat Abiola Comer.

Nigeria contended that the name was selected to embarrass the West African country.

Kudirat Abiola was the wife of Moshood Abiola, who is widely thought

to have won a 1993 presidential election in Nigeria that was annulled. He later was arrested by the current dictator, General Sani Abacha. Mr. Abiola, who was charged with treason, remains in prison.

Mrs. Abiola was shot and killed in 1996. The police said they suspected her relatives killed her, but relatives blamed the government.

Mr. Farrakhan, who visited Nigeria in 1996, was criticized then by Nigerian democracy activists for meeting with General Abacha, though he also met with Chief Abiola.

Mr. Farrakhan and some of his senior deputies in the Chicago-based Nation of Islam have been criticized for anti-Semitic remarks and accused of relegateing women to second-class status.

BOOKS

PILLAR OF FIRE:
America in the King Years, 1963-65

By Taylor Branch. 746 pages. \$30.

Reviewed by Jeff Shesol

In "Pillar of Fire," the second volume of Taylor Branch's civil rights trilogy, Martin Luther King Jr. is nothing quite so simple as a man or myth. To Branch King is a metaphor — "the best and most important metaphor for American history in the watershed postwar years." King is the "pillar of fire" of the book's title, buttressing the civil rights movement with its moral strength and energizing it with its rhetorical fervor.

Branch's epic first volume, the Pulitzer Prize-winning "Parting the Waters," spanned a full decade; "Pillar of Fire" covers less than three years.

Still, these were, as Branch argues, "the movement's peak years." After the brutality of Birmingham in May 1963, Branch explains, "leaders of every rank groped for responses to a coming flood. Race, so long conceived as a distant element of nature, slow-moving as a bank of rain clouds, suddenly bubbled up everywhere to sweep away the prevailing notion that passion was the enemy rather than the friend of racial goodwill. Where reason had twaddled, emotion swept forward, conviction that segregation was fragile and that human nature

contained untapped reserves for improvement."

Branch describes the torment that followed — "Freedom Summer," the filibuster and passage of the civil rights bill, the beatings in St. Augustine and riots in New York City, the murders of Medgar Evers and Malcolm X — in gripping detail, his prose moving swiftly and effortlessly from the White House to Selma, Alabama, jail to Bogue Chitto Swamp in Mississippi, where the smoldering car of three murdered civil rights workers was found in June 1964. This is, for the most part, heavily trafficked territory, so Branch may be forgiven if "Pillar of Fire" is neither as seminal nor as singular an achievement as "Parting the Waters." But here, as before, Branch spins an intricate, seamless web of politics and personalities, ambition and imagination, triumph and tragedy.

The subtitle of Branch's trilogy is "America in the King Years." Yet it is worth noting that "Pillar of Fire" begins not with a nonviolent victory but with a bloody battle between Black Muslims and Los Angeles police in 1962. This riot, virtually forgotten by historians, heralded the arrival of Malcolm X in the national arena, and from the first pages of Branch's book one senses that the political ground has shifted beneath King. Malcolm X, the brash Muslim, was stealing the spotlight from nonviolent veterans like

Ralph Abernathy and Roy Wilkins, who were quickly fading from view. The movement's triumphs notwithstanding, forgiveness was becoming a bolder sell than "enemy-ism."

In September 1963, after a dynamite blast killed four young girls in a Birmingham church, even some of King's advisers pressed him to lash out, to attack the oppressors. Yet King "renounced no one," Branch writes. "Instead, he exhorted listeners to bridge rather than exploit gulfs of separation . . . He wobbled on a sensitive spot, desperate to move but stuck in melancholy, confessing that his leadership was 'standing still, doing nothing, going nowhere.'

Despite his own pessimism, King persevered. His moral vision remained clear and focused, his rhetoric strong and stirring. As the months passed, however, he was increasingly beset by financial pressures, beleaguered by jealous and feuding colleagues, stalked and intimidated by J. Edgar Hoover's FBI, and haunted by the constant threat of violence.

Malcolm X and Martin Luther King Jr. animate but do not dominate Branch's story.

The author is as egalitarian as his subjects: Branch renders unsung activists like Vernon Dahmer, a Mississippi farmer, as completely as he does power players like Lyndon Johnson, Adam Clayton Powell, Allard Lowenstein, and a host of rabbis and clergymen

from nonviolent veterans like

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Paris Will Demote Its Ties With African 'Backyard'

Ministry on Ex-Colonies Faces End of Autonomy

By Charles Trueheart

Washington Post Service

PARIS — The government of Prime Minister Lionel Jospin has outlined a potentially far-reaching reform of France's relationship with its African "backyard," a sphere of influence dating from the colonial era that once guaranteed Paris the support of a major bloc of African votes at the United Nations.

Since the French colonial empire in Africa gave way to independence nearly 40 years ago, Paris has maintained close ties to most of its former colonies through a de facto ministry for African affairs known as the Ministry for Cooperation.

Charles Josselin, the cooperation minister, said Paris would cease to have a separate foreign policy for French-speaking African countries.

When the reforms are refined and put in place this year, Mr. Josselin will become a junior minister under Foreign Minister Hubert Vedrine. But he will keep a place at the cabinet table to reassure African leaders who fear they will lose their clout and privileged access.

The machinery of the reform is bureaucratic: The Cooperation Ministry will be absorbed into the Foreign Ministry, where, at least in theory, Africa will be a world region like any other. Charles Josselin, the cooperation minister, said Paris would cease to have a separate foreign policy for French-speaking African countries.

Such are the sensitivities about this move that every official effort has been made to stress that France is not abandoning its special friends. Because of its high levels of poverty, French-speaking Africa will continue to constitute a "priority zone of solidarity" for French developmental assistance, officials said Thursday.

"No one will lose," Mr. Vedrine said.

At stake for developing countries is French foreign aid that amounts to almost \$8 billion a year — on a per capita basis, more than three times the U.S. foreign aid budget. About two-thirds of it goes to African countries.

The change also will enable France to act in concert with other donor nations and organizations, such as the United Nations and the World Bank. French aid has been heavily redirected in recent years through those organizations, limiting direct largess to favored countries.

The police said the National Liberation Army, the nation's second-largest guerrilla group, was responsible for the ambush near Sardiniana, 420 kilometers (260 miles) northeast of the capital, Bogota.

There were no reports of rebel casualties.

North Korean Aide Defects to the South

SEOUL — A North Korean diplomatic defected Friday to South Korea, saying he had little hope for the survival of his country's Communist regime.

Kim Dong Su, 38, a third secretary at Pyongyang's mission to the UN Food and Agriculture Organization in Rome, smiled as he stepped off a plane at Kimpo Airport with his wife and 8-year-old son.

"I increasingly felt uncertain of the future of North Korea, where food shortages are getting worse and children are starving to death," Mr. Kim said before Seoul government officials escorted him away for questioning. (AP)

A Suicide Bomber Kills 9 in Sri Lanka

COLOMBO — At least nine people were killed when a female suicide bomber detonated explosives strapped to her body at a military checkpoint Friday in Colombo, the Sri Lankan capital. The police and witnesses said.

The explosion occurred only hours after Prince Charles of Britain left the island after a visit to mark Sri Lanka's 50th independence anniversary. Government forces had been on high alert for attacks by Tamil Tiger rebels. No group had claimed responsibility for the blast. (Reuters)

Colombia Ambush

BOGOTA — Colombian rebels set off dynamite blasts and then opened fire as a police patrol passed on a country road Friday, killing eight officers and wounding two others, the authorities said.

The police said the National Liberation Army, the nation's second-largest guerrilla group, was responsible for the ambush near Sardiniana, 420 kilometers (260 miles) northeast of the capital, Bogota.

There were no reports of rebel casualties.

For the Record

Indonesia strongly criticized the United States on Friday for its 1997 human rights report, saying it was biased and unbalanced. The State Department report last week said the government repressed political opposition. (Reuters)

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THE WORLD'S NEWS NEWSPAPER

SATURDAY-SUNDAY, FEBRUARY 7-8, 1998

EDITORIALS/OPTION

Herald Tribune
INTERNATIONAL**Loose Lips**

With the United States gearing up for warfare against Iraq, it is not surprising that rhetoric about the crisis is escalating. But loose talk among Republican leaders about removing Saddam Hussein and Boris Yeltsin's references to a new world war are not helpful. This confrontation is dangerous enough without political grandstanding.

There is a wonderful simplicity to the idea of sacking Saddam.

Remove him, the theory goes, and a democratic Iraq will be born, renouncing the use of weapons of mass destruction and committing itself to live in peace with its neighbors. The notion offers a clean, swift end to a stalemate with Iraq that could well outlast a series of American air strikes aimed at punishing Baghdad but not eliminating Saddam.

The reality is a good deal more sobering. The only sure way to remove Saddam is to invade Iraq, occupy Baghdad and either capture the Iraqi leader or force him into exile. If Trent Lott and Newt Gingrich want to be rid of Saddam, they must be prepared to send an army of at least several hundred thousand American combat troops to Iraq and accept the risk that many of them will be killed in an invasion.

If the idea is to bomb Iraq and rally Saddam's opponents to overthrow him, there is little chance of success. The failure of recent American clandestine operations in Iraq suggests that Saddam's hold on power is too strong and that his opponents are too divided to create optimal conditions for a successful coup, even if Amer-

—THE NEW YORK TIMES.

Cruel Cuba Embargo

Bending to winds strengthened by the Pope's visit, leading American supporters of a particular line on Cuba have changed course. From denying food and medicine to the Cuban people in order to drive them to revolt against their Communist rulers, Senator Jesse Helms, Republican of North Carolina, and the Cuban American National Foundation now propose that private American citizens and even the American government donate these items to needy Cubans.

The politicians and exile groups that endorse this change deserve credit. Implicitly, they are admitting that an embargo bearing directly on the health and welfare of innocent Cubans is a cruel practice that subverts American ideals and retards change.

The new proposal contains conditions that sponsors realized might provoke Fidel Castro to turn it down, as he does. Sponsors take such a repudiation as a political victory in that it ostensibly puts the onus on the Castro regime. The conditions, leaving intact the American embargo, are meant to ensure that in the sponsorship, distribution and enjoyment of these donations, the benefits accrue entirely to the Cuban people, not to the Castro regime.

This is a good purpose, but it should not be allowed to get in the way of meeting the people's needs. If this is to be done, food and medicine shipments will have to be made through normal

—THE WASHINGTON POST.

Pooh and Friends

Visitors to the Donnell Library on New York's West 53d Street who happen upon the original Winnie-the-Pooh & Co. in their climate-controlled case might remember Maurice Sendak's comment about great children's books — that few first editions exist because they were all eaten. Pooh, Eeyore, Kanga, Tigger and Piglet show every sign of a toy life well lived — worn fur, faded colors, missing eyes and flattened stuffing.

A member of Britain's Parliament, Gwyneth Dunwoody, complained this past week that the toys — the inspiration for the classic series of children's books — "look very unhappy indeed" and ought to be returned to their native country. The response from New York was predictable. Mayor Rudolph Giuliani made some pointed comments about our being a colony anymore. Representative Nita Lowey introduced a resolution condemning an attempt "to swipe the lovable stuffed animals from their home" — and pointing out that in addition to being climate-controlled, Pooh's glass case is bulletproof.

The toys were originally the prop-

erty of Christopher Milne, a child who lived in Surrey, England, in the 1920s. His father wrote the Pooh stories about their adventures. After Christopher was grown, Mr. Milne gave the toys to his American publisher. In 1987, they were donated to the New York Public Library with the then-elderly Christopher Milne's blessing. On Thursday, even Prime Minister Tony Blair went over to the enemy and endorsed the status quo.

But despite all the American insistence that the stuffed animals are happy — nay, ecstatic — in their present home, Ms. Dunwoody was probably right in detecting signs of melancholy. Old toys always look a little pathetic. They have been left behind, and their scars are the only reminder of the long-gone boy or girl whose imagination gave them life. Pooh and Eeyore and the rest are too fragile to play with now.

Their value is as a reminder of an era when publishers did not judge children's books in terms of their spin-off potential. The library case displays proof that Pooh was a toy before he was a marketing concept.

—THE NEW YORK TIMES.

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Internet address: <http://www.iht.com>

Editor for Asia: Michael Richardson, 5 Connaught Rd., Singapore 119002. Tel: (65) 472-7768. Fax: (65) 274-3334.
Mng. Dir. Asia: Terry Dawson, 50 Gloucester Rd., Hong Kong. Tel: 852-5921-1188. Fax: 852-5922-1190.
Gen. Mgr. Germany: T. Schäfer, Friedrichstrasse 15, 60323 Frankfurt. Tel: +49 69/712500. Fax: +49 69/71250-20.
Mng. Dir. Asia: Michael Richardson, 5 Connaught Rd., Singapore 119002. Tel: (65) 472-7768. Fax: (65) 274-3334.
Pres. U.S.: Ann Blithorn, 180 Third Ave., New York, N.Y. 10022. Tel: (212) 753-8890. Fax: (212) 753-8785.
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America's Grip on Iraq Crisis: Getting Slipperier

By William Pfaff

DAVOS, Switzerland — War overshadowed economics as the 1998 World Economic Forum closed this past week in this Swiss resort. American officials made a big effort to persuade international business and government leaders that President Bill Clinton has his mind on affairs of state and is determined to settle the problem of Saddam Hussein.

The impression these officials left was that the cranked-up machinery of Iraq intimidation has now gathered such political momentum that it will not easily be stopped. That was perhaps a calculated message, but it was significant.

Mr. Clinton is vulnerable to the Republican opposition on military and foreign policy issues. The Iraqi president has shown great talent for provoking and exploiting Western opinion, dividing the Gulf War coalition by playing Washington like a maddened swordfish on the line.

Saddam Hussein wants an end to UN inspections and sanctions. He is nonetheless an isolated leader who knows little about the world outside his own region. He could miscalculate his policy this time and provoke the American juggernaut to roll over him.

But even that could discomfit the United States. Even if Bill Clinton had Iraq and the Iraqis at his mercy, what

would he do with them? That question caused George Bush to stop the Gulf War when he did.

Washington is driven by the momentum and extravagance of what both the administration and Congress have previously said about the Iraqi president, and what they have threatened to do to him if further provoked.

President Clinton insists that he truly wants a diplomatic solution. But it would be hard now for him to retreat from maximum demands, with some congressmen and columnists whooping for war.

The American message delivered at Davos was that this time the United States is serious, that the decision is all but irreversible, that American attacks on Iraq will begin around the end of this month and that they will be more violent and will go on longer, than any since the end of the Gulf War.

Washington, it is said, has concluded that force is the only thing Saddam Hussein understands.

Actually, the record demonstrates something different: that the Iraqi president understands the political use of force better than the U.S. government. It is suggested that Saddam actually

wants his country attacked, since this would reinforce his position as the Arab leader willing to defy the United States — giving him a symbolic claim to leadership of all Arabs.

An American attack would undoubtedly cause the Iraqi leader to denounce UN arms inspections and sanctions, and to reclaim full sovereignty of action. His freedom of action would have been restored, at a great price to his nation's people, a price that has never before proved to inhibit him.

Journalistic speculation has also suggested that an American attack would, in some Arab eyes, justify an Iraqi missile attack on Israel, this time with more exotic munitions aboard rocks, as in the Gulf War. As Israel must be expected to retaliate this time, whatever Washington wants, this provides further evidence that the situation is slipping out of American control.

Most of those politicians and commentators who want a new Gulf war, so as to finish off Saddam Hussein, are honest enough to acknowledge that this could be accomplished only with an invasion to seize control of Iraq. Their frankness tends to chill the discussion, since American forces would have to do the invading.

There is little enthusiasm for this in administration circles. The secretary of

defense, William Cohen, has taken pains to say that there should be no "unreasonable expectations" about what can be done, while insisting that U.S. objectives can be achieved without using ground forces. This implies that the Iraqi president's ouster is not a U.S. objective. In this respect, as in others, there seems no endgame strategy.

People nonetheless say otherwise. I have been assured that if air attack does not change Iraq's conduct, and if UN arms inspectors are not allowed back in, America has another plan for the longer term. What exactly is not revealed.

Possibly it is a quasi-permanent program of continuing attacks, directed — as Mr. Cohen said this past week — toward limiting, curtailing, really preventing Saddam Hussein from reconstituting his capability in the near future at least.

Some in the administration give one the gloomy impression that they have heard this sort of thing before, possibly in connection with the Vietnam War. One official I spoke with struck me as afraid — unable to believe that Iraq would be changed by what the United States plans to do, but frightened about where the effort might take the Clinton administration and the country.

International Herald Tribune.
Los Angeles Times Syndicate.

Wei Jingsheng Is Inconvenient, and Not Just for Beijing

By Jim Hoagland

WASHINGTON — Tyrants jail and exile rebellious, free spirits like Wei Jingsheng for speaking truth to and about them. As the Soviets feared Alexander Solzhenitsyn, the Chinese Communists fear Mr. Wei's intuitive understanding of their corrupt and inhumane system. The Chinese kept this former electrician and pamphleteer in prison for most of the past two decades to silence him.

That silence is now broken. Mr. Wei's enforced exile in the United States provides him a vast platform. The secret diplomacy that led to his release and expulsion in November has not tempered his truth-telling.

Gulping in the oxygen of freedom in the United States, Mr. Wei has begun to write opinion pieces and to deliver speeches that strongly challenge the view that China, with American engagement, is slowly evolving into a stable free-market democracy and U.S. ally.

China's expulsion of Mr.

cided to take in launching this dissident into the orbit of foreign exile became clearer. Away from Chinese soil he may be unable to sustain the acuity, indignation and knowledge that have illuminated his denunciations of a rotten system.

This is where the Solzhenitsyn analogy runs deep. Encountering Mr. Wei's version of Sino-U.S. relations is reminiscent of the shock of reading a Spanish newspaper in 1975 reporting the Russian writer's unreserved admiration and approval of Washington's embrace of Beijing as "selling out" their friends and interests in China and helping a regime he labeled "the enemy of the United States."

The language was stark. It changed as extreme on the ears of some of the academics, politicians, labor leaders and others present. As he spoke, the calculated risk Beijing's rulers de-

spoken" by "so-called China experts," the United States helped Mao Zedong's Communists take power in Beijing.

"The American people have become carried away by their own greatness. They refuse to draw lessons from their failures," Mr. Wei continued. Richard Nixon went to China to see Mao, "the greatest butcher of this century, and rescued the Chinese Communist regime from the jaws of death."

That version of history is not familiar to most Americans, and afterwards some in the audience seized on it to discount the rest of Mr. Wei's fiery, unyielding message. A counterattack to Mr. Wei's denunciations is forming among Beijing's friends here.

But it should come as no surprise that a man who has just spent 18 years in prison does not have a sophisticated grasp of international relations. Nor should Mr. Wei's views of American motives, however flawed or one-

dimensional, detract from his penetrating analysis of the Communist leadership in China.

Instead, Americans should be alarmed at the prospect that Mr. Wei's views represent a broad feeling among Chinese democrats about U.S. reliability and intentions.

His general warning is that the United States is building up a future crisis with China by supporting a discredited regime. His specific warning, repeated several times at the Council meeting, is that America must not back away from criticizing China or burn human rights, to buy the freedom of dictators or anything else.

Wei Jingsheng is an inconvenient man for governments. Exile in America has not lessened his ability, and determination, to speak unsettling thoughts to power. Beijing's wager that he will do them less damage abroad may turn out to be a historic miscalculation.

The Washington Post.

Get Set for Another Year of Living Dangerously in Asia

By Tom Plate

LOS ANGELES — The Asian crisis is of sufficient vintage now to qualify for the frequently asked questions treatment, along with my answers.

Question: Is the crisis starting to ebb?

Answer: Not at all. At best, Monday's rebound notwithstanding, it's in remission.

Q: But Federal Reserve Board Chairman Alan Greenspan says the impact on the United States is modest. What do you know that he doesn't know?

A: He's respected but not always right. Mr. Greenspan is focusing on the United States, which so far has not been hit much, and he's trying not to be alarmist. But he also admitted that because of Asia, the U.S. economy would start slowing by June. More than a million Amer-

icans are likely to lose their jobs next year because of lowered Asian demand for U.S. exports.

Keep in mind, too, that Japan, the world's second-largest economy, is in big trouble and is big enough to pull America down if it falters further.

Last month when even the all-powerful minister of finance, Hiroshi Mitsuoka, resigned over a corruption scandal, I asked one of Japan's top newspaper editors for his assessment. From Tokyo, he faxed: "This is the tiniest tip of the iceberg. I would expect there would be a fundamental reorganization unprecedented in the history of the Finance Ministry. My friend does not casually throw around terms like 'unprecedented.'"

Q: Indonesia looks a lot shakier; will it collapse?

A: Remember "The Year of Living Dangerously," the 1982 film about the fall of Sukarno? You might soon see the sequel. If revolution does come to the world's fourth-most populous nation, no one will shed many tears when President Suharto is finally gone. But recall Henry Kissinger's observation before the Shah of Iran fell that whatever the many faults of the Peacock Throne, there was no assurance that the Shah's successors would prove any better. Our fears for Indonesia in coming months.

Q: Korea seems to be doing better, right?

A: History has given that star-crossed land President-elect Kim Dae Jung. Miraculously, he seems to have persuaded the labor unions to swallow the substantial pain of patching up the economy. In a crisis there's no substitute for intelligent and strong leadership.

Q: Speaking of leadership, how's Bill Clinton doing?

A: Not bad, at least until recently. Remember the president's personal phone calls to Asian leaders? Treasury Secretary Robert Rubin's close watch on the collapse? Deputy Treasury Secretary Lawrence Summers' hurried reassurance that the administration will keep on the intensity with all that is swirling around it now? Doo! bet oo it.

Q: How is the International Monetary Fund doing?

A: I wish the IMF weren't basically the only major institution we have on this case. In retrospect, the Japanese, led by their worldly wise multinationals, were right to want a separate but parallel Asia fund that could have injected money more quickly into panicked markets. But they were talked out of it by Mr. Rubin, who preferred leaving the crisis-management with the IMF. Too bad.

Certainly an earlier infusion of outside dough into Thailand, where the contagion broke out, might have slaked the panic thirst and slowed the crisis. And the IMF cannot prevent recession. It tends to move slowly,

not to mention formulaically, so much so that countries sometimes are reluctant to ask for help and wind up infecting neighboring economies.

It was dumb to put all our eggs in the IMF basket. Even so, it's about all we have right now, and Congress may well fail to approve additional appropriations. Then the world will really wish we had listened to the Japanese.

Q: Haven't we learned anything from this crisis?

A: A little. We've got to come up with ways to lower the impact of hyperspeculation on international money markets. On any given day, \$1.5 trillion can move across borders.

"The system," explains the UCLA economist Michael Ellington, "creates a house of cards that will fall down from time to time. If we don't figure out some reform, it will fall down again."

Another emerging lesson is the crucial role of China as well as Japan. Beijing is trying to avoid devaluing its currency, but widespread social unrest could void that thoughtful policy. A Chinese devaluation, deepening the discount on their exports even further, would trigger another crash in Southeast Asia.

So the key to escaping world recession lies in Beijing and Tokyo. Mark 1998 down as another year of living dangerously.

Los Angeles Times Syndicate.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1898: Equine Flu</b**

Upperier

William Cohen has taken pains to say there should be no "surprises" about what he does, while insisting that U.S. forces can be achieved without re-inforcing the president's "cutter" is not a U.S. policy. In this respect, as in other areas, he nevertheless says otherwise. I am assured that if an attack does change Iraq's conduct, and if UN inspectors are not allowed back in, Iraq has another plan for the longer term. What exactly is not revealed, though it is a quasi-permanent project of continuing attacks, directed at the administration's foreign policy.

Cohen said this past week — and firmly, curtailing really — that Saddam Hussein from recovering his capability in the near future.

What the administration gave one the greatest impression that they have had this sort of thing before, possibly connection with the Vietnam War.

Indeed I spoke with someone who is unable to believe that Iraq has changed by what the United States plans to do, but frightened about the effort might take the Clinton administration and the country.

International Herald Tribune
Los Angeles, Calif., 2/6/98



From "Children's Games," painted by Pieter Bruegel the Elder in 1560.

The Bruegel Legacy, Spelling Conceits Aside

By John Vincor
International Herald Tribune

VIENNA — Against all of today's flimmer and flicker, film clips, sound bites, web sites, information accelerated into a nonstop fast-forward loop of things half-seen and fully blurred, hold this journalism up: Pieter Bruegel and sons at the Kunsthistorisches Museum.

Only, of course, it is not journalism, a lesser labor.

It is more genius embracing reportage, the mass and density and flood of characters of several great novels, the pulse and line of epic poetry, all slowed down, nonfleeting, and in color on the walls here. It is Bruegel, magnificence from four centuries ago, but a committed reporter nonetheless, a man registering what happened, how it looked, and how it felt as well as anyone ever has.

And this in circumstances that provide both a new, practical advantage to the visitor, as well as a slightly discomforting novelty. The museum's 13 great Bruegels, the world's best permanent collection, are currently augmented by four important loaned works, but also hundreds of paintings, some of them copies of their father's work, by Pieter Bruegel the Elder's two sons (spelling conceits included), Pieter Brueghel the Younger and Jan Brueghel the Elder, in an exhibition called "Bruegel, Tradition and Progress."

The trace of discomfort comes from the way that the exhibition shows Bruegel's sons ripping off his themes and running them out in rather less skilled and considerably more superficial copies, although it is explained that this was a normal practice in late 16th-century Flanders. But their paintings of other subjects are very good and very interesting, and when a copy is shown side by side with a work by the master, the contrast is fascinatingly eerie.

THE practical advantage is simple. The lighting in the gallery where Bruegel's work is exposed has been dramatically improved, and it is now possible as well to look at the paintings from a distance of barely a foot away. This would be nice in sort of a pedantic way if it made just any painter's brushstrokes or impasto technique more visible, but in terms of Bruegel it is a magnifying glass on genius.

Details just explode. In approaching a painter whose view of life, and our propulsion into it, involves choosing detail after detail — spoon stuck through hat brim, empty mussel shell next to unlaced shoe — standing up close makes a visitor a selective participant as never before in Bruegel's vast, wildly ambitious reportage on the state of humanity.

They made a committed choice for realism over the devout or allegorical.

Whether the work is "The Fight Between Carnival and Lent," "The Tower of Babel," "Peasant Dance," "Children's Games," or the paintings of illustrating the seasons of the year, the detail is never archival. Instead, it is passionate testimony, Bruegel's telling as much as he can see and know, a committed choice for realism over the devout or allegorical. Even on the highest levels of his "Tower of Babel," his most mystical painting, tiny men are bent in labor at the edge of the sky, swinging picks and mattocks.

When the exhibition directly compares two works, placing the master's "Fight Between Carnival and Lent" directly next to its copy by Pieter Brueghel the Younger, the difference nearly shout: the son's one-click overview, and the father's case by case, farmer's horseshoe by horseshoe restorer.

The two museums could have provided two works by Bruegel about the seasons to add to the three already in the Vienna collection. "That would be a sensational find to have the five season paintings together," Seipel said.

With a certain amount of bitterness, he added, "The paintings are terribly sensitive to humidity and vibrations, of course, but it's always 'no' from the restorers. They're everywhere, and sometimes I think we've got to break away from them. They are often interested only in their own business, and not in the public. Indeed, we refused to give our Vermeer to the exhibitions in Washington and The Hague because it wasn't in good enough condition, but it's in restoration now, and I'd be open to talking about a loan eventually."

The exhibition continues until April 14. The works on exhibit here of Pieter Brueghel the Younger and Jan Brueghel the Elder will be shown in Antwerp at the Koninklijk Museum voor Schone Kunsten from May 2 to July 26.

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Herald INTERNATIONAL Tribune
THE WORLD'S DAIRY NEWSPAPER

The Magic of Old Master Signatures

International Herald Tribune

NEW YORK — Suddenly the Old Master paintings arena is buzzing with the excitement that Impressionists and Modern Masters began to generate as they took off on a truly grand scale in the early 1970s.

It is not just the numbers that are impressive — on Jan. 30, Sotheby's New York claimed its highest total ever with sales adding up to \$53.19 million, outdoing by a fraction its December performance in London (\$52.02 million). It is also the vibrancy in the auction rooms, the rapidly expanding constituency, the soaring interest in every direction. But beware

SOUREN MELIKIAN

the pitfalls. There can be more to a picture than meets the eye — or less.

Last week, in the new atmosphere of buoyant expectancy, some star lots were looked at through golden glasses. A placid Dutch burgher was signed by Rembrandt and dated 1633. The signature is magic. The art was not. The face with a wan smile and a twirling mustache is so bland that a scholar once saw it as the work of a

painter. When W.R. Valentiner recorded the portrait in 1931 and called it a Rembrandt, his fellow scholars agreed. Alas, the Rembrandt Research Project, weighing the good points versus others not so good, decided in the 1970s that on balance, no, it was not the real thing.

The irony is that the woman may have been painted as a match to the man: same date, virtually the same size, same way of filling the space. The big difference is that she has a compelling smile, radiant with inner life, if clouded by an indecipherable touch of repressed distress. Relegated to the ranks of the "not-the-master's-own," this gem of Dutch portrait painting went for a mere \$255,500. Someone here made a real coup.

Now, professionals no longer question the picture, which received the seal of approval from the Rembrandt Research Project foundation in Amsterdam. In a letter to the owners, an expert covers every aspect of the picture, from the type of oak panel made from wood found in the Baltic-Polish area (normally used by the artist) to the method of painting. The master, for example, would finish the background fast and then elaborate the figure. When doing the face, he left small areas of the underpaint uncovered under the eyes, etc. You might not have a dream picture, but you have the Polish oak, the technique, the signature. And that did it.

Two of the most savvy U.S. dealers, Alfred Bader of Milwaukee and Otto Naumann of New York paid \$9.1 million, more than twice the high estimate to get their committee-approved Rembrandt — leading dealers cannot afford to resist the lure of such a name.

THEY find it a lot easier to ignore a masterpiece with no name — or one that is contested, which is just as bad. In a striking contrast to the burgher with a twirling mustache, the portrait of a woman, also oval, nearly of the same size, and, in Sotheby's own words, "signed or inscribed lower left Rembrandt/1633" did not make much of a name.

"We took what we got," said Wilfried Seipel, general director of the Kunsthistorisches Museum, explaining that Philippe de Montebello, director of the Metropolitan Museum of New York, and directors of the Narodni Gallery in Prague had wanted to make loans but that they were turned down by their museums for the show.

Whatever this says about great art or genius based on a realistic view of humanity (remembering that Bruegel the Elder was an unranked bit player for centuries until his reassessment in the 1890s), a guide at the exhibition concedes that many people in the record crowds actually prefer the work of the sons. Their painting is lighter in tone, often brighter in color and seen somehow as less difficult than that of the father, who is frequently described, because of his joyless children and lumpen peasants, as a bit un-

settling.

Of all the paintings, "The Attack," on loan from the Stockholm University collection, is most easily superimposed on a modern consciousness. In a barren field and against a harshly, almost artificially lighted sky, three highwaymen rob a farmer and his wife. One of the thieves is grabbing a jewelry chain from the peasant's neck. Before rotary presses, this painting, was journalism.

With a certain amount of bitterness, he added, "The paintings are terribly sensitive to humidity and vibrations, of course, but it's always 'no' from the restorers. They're everywhere, and sometimes I think we've got to break away from them. They are often interested only in their own business, and not in the public. Indeed, we refused to give our Vermeer to the exhibitions in Washington and The Hague because it wasn't in good enough condition, but it's in restoration now, and I'd be open to talking about a loan eventually."

The exhibition continues until April 14. The works on exhibit here of Pieter Brueghel the Younger and Jan Brueghel the Elder will be shown in Antwerp at the Koninklijk Museum voor Schone Kunsten from May 2 to July 26.

an impression. When W.R. Valentiner recorded the portrait in 1931 and called it a Rembrandt, his fellow scholars agreed. Alas, the Rembrandt Research Project, weighing the good points versus others not so good, decided in the 1970s that on balance, no, it was not the real thing.

It is not just the numbers that are impressive — on Jan. 30, Sotheby's New York claimed its highest total ever with sales adding up to \$53.19 million, outdoing by a fraction its December performance in London (\$52.02 million). It is also the vibrancy in the auction rooms, the rapidly expanding constituency, the soaring interest in every direction. But beware

SOUREN MELIKIAN

the pitfalls. There can be more to a picture than meets the eye — or less.

Last week, in the new atmosphere of buoyant expectancy, some star lots were looked at through golden glasses. A placid Dutch burgher was signed by Rembrandt and dated 1633. The signature is magic. The art was not.

The face with a wan smile and a twirling mustache is so bland that a scholar once saw it as the work of a

painter.

The irony is that the woman may have been painted as a match to the man: same date, virtually the same size, same way of filling the space. The big difference is that she has a compelling smile, radiant with inner life, if clouded by an indecipherable touch of repressed distress. Relegated to the ranks of the "not-the-master's-own," this gem of Dutch portrait painting went for a mere \$255,500. Someone here made a real coup.

Now, professionals no longer question



Saint Joseph and the Christ Child, by Murillo.

field. In Sotheby's sale, it acted like a magic booster on an amusing portrait of a turbaned black man leaning through an oval window.

The small panel carries the initials of Bartolomaeus Maton, a Leiden *peintre maître* active in the second half of the 17th century who is rarely seen at auction. It is not unforgettable, but it has charm. Previously unknown, the Maton climbed to \$255,500, nearly 15 times the high estimate, courtesy of Van Haefen.

Another great Hornstein picture proved more expensive. Jacob van Kuisdael's winter landscape with a frozen canal and a chateau under construction in the distance was one of the glories in the great 1951 exhibition of Dutch landscapes at the Paris Orangerie. A thin coat of snow allows the deep brown of the earth to come through here and there in an ice-blue light. Specialists in Dutch art wanted to catch his prey, one third more than the high estimate, but still peanuts by comparison with an Impressionist painting.

The feeling of novelty that discoveries constantly bring is the other powerful attraction of this privileged

surprise. Meissner bought the Oudry for just under \$600,000. Last week, the same Oudry remained unwanted at \$325,000. Few dealers will touch a masterpiece that has been shown around, and among the few collectors who will respond to that kind of picture, even fewer have the resources to back up their artistic judgment. The moral is clear: Old Masters do not make up one market, but dozens of micromarkets and assessing the exact state of each one of these is essential when buying.

The ability to evaluate condition in relation to pricing is equally important. Reading carefully the entry to Emanuel de Witte's beautiful "Interior of a Church" in Sotheby's catalogue, it was obvious that the left-hand extremity was extensively restored.

The entry, which notes "the current, well-preserved architecture," also concedes that alterations affect the characters. At \$360,000, the De Witte was no giveaway.

The most beautiful work always has a given price bracket at a given time.

To exceed it wildly by misjudging the breadth of its appeal, its condition, or any other limitation to its splendor is to take a dangerous gamble.

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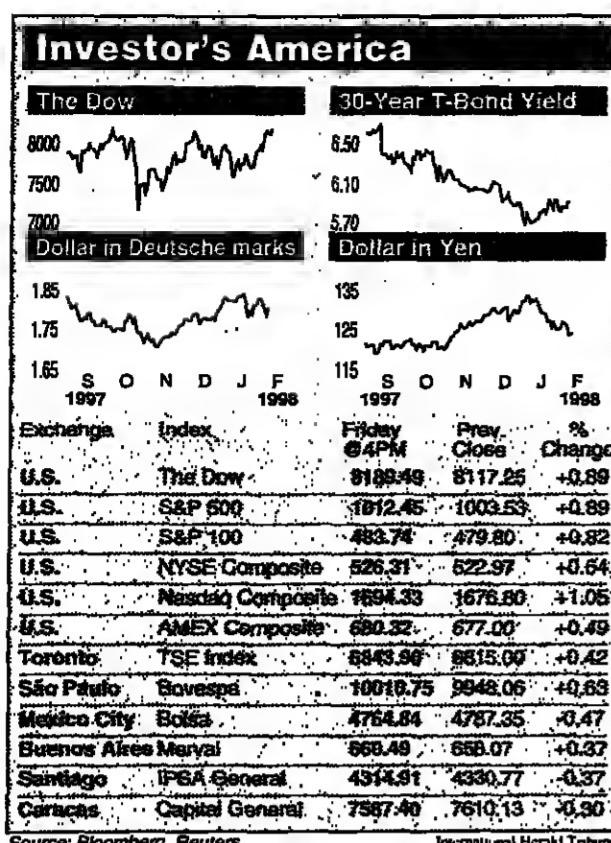
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THE AMERICAS



Wall Street Warms to Buoyant Rise in U.S. Employment

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks rose Friday after the government said the economy created more jobs than expected in January.

"The economy is growing fast enough" to keep corporate profits rising this year, said James Penner, chief investment officer of the Montana Board of Investments. "It's a reasonably good scenario for the stock market."

The Dow Jones industrial average climbed 72.24 points to 8,189.49.

J.P. Morgan & Co. reported 4,916 to 111,151 on speculation that Deutsche Bank AG may be talking to the bank about an acquisition. Analysts discounted the speculation.

The Standard & Poor's 500 index rose 8.91 points to 1,012.45. The Nasdaq composite index gained 17.43 points to 1,694.33.

While stocks often fall after strong jobs reports on concern that overheating economy would prompt the Federal Reserve to raise benchmark interest rates, Chairman

U.S. STOCKS

Alan Greenspan recently said he was expecting Asia's financial problems to slow U.S. growth.

"Asia balances things out," said Bob Basel, co-head of listed trading at Salomon Brothers Inc. "Interest rates will remain stable — no reason to lower or raise."

U.S. bonds were spurred by the jobs data as the benchmark 30-year bond rose 6/32 to 102 31/32, pushing its yield down one basis point to 5.92 percent.

It was the third month in a row that higher-than-expected employment gains stirred little concern among bond investors.

There's still a pent-up demand for Treasury issues because investors are looking for a slower economy, said Daniel Seitz, a manager at Advisors Capital Management.

Advancing issues led decliners by 8 to 5 on the New York Stock Exchange.

Bank stocks rose across the board as investors' concern about Asian turmoil waned and earnings expectations grew more optimistic, analysts said.

Qualcomm tumbled 8/4 to 4734 after the maker of wireless-phone equipment warned that its profit in the second quarter would be about half of most estimates, mainly because South Korean orders had been cancelled.

Some analysts predicted that the Asian slowdown will hurt earnings for several quarters and question how Qualcomm fared problems in its most important overseas market.

Oxford Health jumped 2 13/16 to 19 1/4 on news that Franklin Mutual Advisors, the mutual fund manager run by the investor Michael Price, holds a 5.3 percent stake in the managed care company. Oxford shares had fallen 78 percent in the fourth quarter of 1997.

Pixar jumped 5 to 35 after the company reported an unexpectedly strong fourth-quarter profit and said it and Walt Disney Co. will release "Toy Story 2" in theaters instead of directly to video. The first "Toy Story" generated \$360 million in worldwide box office revenue and sold more than 22 million videotapes in the United States. (Bloomberg, AP)

Columbia/HCA Sees Big Operating Loss

Compiled by Our Staff From Dispatches

NASHVILLE, Tennessee — Columbia/HCA Healthcare Corp. said Friday it expected a fourth-quarter loss from continuing operations of as much as \$425 million, as the company struggled to change its way of doing business amid a federal investigation.

The hospital group, which is under investigation for possible fraud in Medicare billing, said it also expected to take about \$870 million in one-time charges, bringing the net loss to as much as \$1.35 billion.

Friday's announcement reflects the cost of turning what was once America's most aggressive and acquisitive hospital chain into a slimmer company tightly focused on its core hospital business — one the company's new management hopes will bring better returns.

"Their basic business is flat and they are making a lot of adjustments to reflect the new way of operating the company," said Joseph Chiarelli, an analyst at J.P. Morgan Securities.

Stock in Columbia was down \$1.1875 in late trading Friday, at 24.875.

The company's market capitalization for 1997 is expected to be

about \$1.5 billion.

While charges are anticipated, the company had been expecting a profit from continuing operations in the fourth quarter.

The company's financial statement for all of 1997 are being audited. Final figures are expected to be released Feb. 13.

Revenue is expected to drop 10 percent in the quarter, due in part to changes in Medicare reimbursement last year. Facility admissions in the quarter increased 0.5 percent, while adjusted admissions, which reflect inpatient and outpatient admissions, rose 2 percent.

(Bloomberg, AP)

• General Motors Corp. lowered planned first-quarter production at its North American factories by 1.6 percent from its previous plan, citing soft sales of small cars. GM now plans to build 1.39 million cars and trucks in the first quarter, 3.7 percent fewer than a year ago.

• Bayer AG sold \$600 million in bonds through its U.S. subsidiary, Bayer Corp., to finance expansion in North America, its largest market. The sale through a private placement, was increased from the \$500 million originally planned because of high demand, Bayer said.

• Trump Hotels & Casino Resorts Inc. said it had hired Bear, Stearns & Co. and Donaldson, Lufkin & Jenrette Inc. to help it explore a sale of the company. Chairman Donald Trump's interest in selling has been sparked by the \$1.7 billion price Crescent Real Estate Equities Co. agreed to pay for Las Vegas-based Station Casinos Inc.

• Hudson's Bay Co. agreed to buy the discount retailer Kmart Canada Co. for 240 million Canadian dollars (\$168 million), including debt, and fire 4,000 to 6,000 employees as it combines the newly acquired business with its Zellers chain.

• Lazard Freres & Co. said its real-estate unit agreed to invest \$20 million in closely held Rubenstein Co., giving the office developer the funds to buy more properties and take advantage of rising rents.

• Sumitomo Bank Ltd. sold \$1.8 billion of preferred securities to raise its capital base drained by bad-loan write-offs and declines in the Japanese stock market, according to people familiar with the transaction.

• U.S. West Communications Group said fourth-quarter profit before gains and charges fell 4.6 percent to \$290 million from \$304 million a year earlier. Revenue fell 3.2 percent to \$2.52 billion.

• Dole Food Co. said fourth-quarter profit rose 72 percent from a year earlier to \$23.2 million. Revenue rose 22 percent to \$1.09 billion.

Bloomberg

• Polaroid in Talks With 3Com and Mattel

Bloomberg News

NEW YORK — Polaroid Corp., looking to reinvigorate sales, said it had talked with 3Com Corp. and Mattel Inc. about developing new products and that it was planning a series of acquisitions to bolster its digital imaging business.

Polaroid wants to place its holographic film in 3Com's Palm Pilot, a hand-held electronic organizer, so users can better see the screen under various lighting conditions. The Cambridge, Massachusetts-based

maker of instant photographic products is talking to Mattel about teaming up in electronic games.

Polaroid is introducing dozens of new products, and finding new uses for existing technology in a bid to pump up sales that haven't budged much since the start of the decade.

"We're just now realizing how important it is to be a great marketer," said the Polaroid chief executive, Gary DiCarillo, who fled away from Black & Decker Corp. in

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company is talking to Mattel about

teaming up in electronic games.

Polaroid is introducing dozens of new products, and finding new uses for existing technology in a bid to pump up sales that haven't budged much since the start of the decade.

"We're just now realizing how important it is to be a great marketer," said the Polaroid chief executive, Gary DiCarillo, who fled away from Black & Decker Corp. in

1995.

• Polaroid is placing its holographic film in 3Com's Palm Pilot, a hand-held electronic organizer, so users can better see the screen under various lighting conditions. The Cambridge, Massachusetts-based

NYSE

Friday's 4 P.M. Close

Friday 3-4 P.M. Close
The 2,600 most traded stocks of the day.

Nationwide prices not reflecting late fall

The Associated Press											
12 Month		High		Low		Stock		Div Ytd		PE	
										Sis	
								100s High		Lowest	
45%	24%	AAR	.51	1.1	.29	756	4776	4464	4034	4034	4034
21%	17%	ABM	.45	1.5	.26	259	3136	3174	2156	2076	2076
24%	18%	ABM Am	.34	1.6	.12	539	999	974	989	989	989
191%	57%	ACE Ltd	.96	1.6	.12	891	1116	1116	1126	1126	1126
11%	10%	ACM	.93	7.9	.12	142	814	849	894	894	894
10%	8%	ACM Sc	.63	7.7	.12	854	1016	1016	1016	1016	1016
7%	7%	ACMSc	.57	8.2	.12	211	624	624	624	624	624
15%	12%	ACMMDF	.15	2.5	.12	259	1074	1094	1094	1094	1094
101%	9%	ACM Nu	.50	8.4	.12	41	110	224	2114	2114	2114
45%	14%	ACEPs	.59	1.1	.12	39	229	444	444	434	434
51%	37%	AFLAC	.46	4.6	.12	243	563	563	594	594	594
26%	22%	AGC	.84	1.1	.12	537	277	277	277	277	277
21%	17%	AGL Res	1.08	5.6	.12	731	204	1994	1994	1994	1994
15%	10%	AJL	1.44	11.1	.12	125	125	125	125	125	125
24%	16%	AK Steel	.50	2.3	.12	8	226	189	184	184	184
27%	20%	AMFPl	1.45	1.3	.12	-1032	245	222	234	234	234
24%	21%	AMG Am	1.74	7.3	.12	14	244	236	236	236	236
130%	78%	AMR	.12	6.1	.12	14	62	62	62	62	62
17%	9%	AMRC	2.80	5.9	.12	42	619	479	479	479	479
50%	18%	AMA Lnd	1.20	5.0	.12	366	216	224	224	224	224
6%	5%	AT&T	1.32	2.1	.12	234	3079	646	656	656	656
25%	17%	AVG Cg	.24	1.1	.12	14	1655	2249	2116	2116	2116
43%	29%	AXA UAP	.56	4.5	.12	21	411	226	226	226	226
32%	9%	Acme S	.12	1.0	.12	15	2843	13	1244	1244	1244
26%	24%	ADM Dl	1.11	2.6	.12	15	183	264	264	264	264
72%	52%	ADMb	1.90	1.5	.12	1237	71	71	71	71	71
36%	12%	AdarPfch	.52	5.7	.12	97	351	351	351	351	351
21%	11%	AdarSh	.40	-	.12	1282	1496	1496	1496	1496	1496
28%	17%	Adaphia	.11	1.1	.12	15	226	226	226	226	226
33	15%	Adcomm	.29	-	.12	29	411	226	226	226	226
18%	10%	Adcon	.02	.1	.12	15	411	226	226	226	226
81%	45%	Ademco	.10	-	.12	15	164	164	164	164	164
17%	8%	Ademco	.10	-	.12	15	164	164	164	164	164
29%	15%	Ademco	.10	-	.12	15	164	164	164	164	164
20%	10%	Ademco	.10	-	.12	15	164	164	164	164	164
15%	9%	Ademco	.10	-	.12	15	164	164	164	164	164
45%	24%	ADG Cg	1.95	4.1	.12	15	268	226	226	226	226
30%	19%	ADG Cg	1.95	4.1	.12	15	268	226	226	226	226
27%	14%	ADG Cg	1.95	4.1	.12	15	268	226	226	226	226
12%	7%	ADG Cg	1.95	4.1	.12	15	268	226	226	226	226
17%	9%	Adhesive	1.80	4.6	.12	11	155	12	124	124	124
44%	22%	ADTouch	.45	-	.12	54	1826	439	439	439	439
20%	25%	ADTcgs	1.24	4.6	.12	15	657	387	387	387	387
67%	42%	ADTcgs	2.13	3.3	.12	339	656	644	644	644	644
25%	24%	ADTcgs	2.13	3.3	.12	15	127	255	255	255	255
50%	21%	ADTcgs	2.13	3.3	.12	15	2765	479	484	484	484
45%	21%	ADTcgs	2.13	3.3	.12	15	368	107	107	107	107
28%	20%	ADTcgs	2.13	3.3	.12	15	373	807	794	794	794
10%	6%	ADTcgs	2.13	3.3	.12	15	388	216	207	207	207
27%	19%	ADTcgs	2.13	3.3	.12	15	425	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	426	249	249	249	249
21%	13%	ADTcgs	2.13	3.3	.12	15	427	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	428	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	429	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	430	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	431	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	432	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	433	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	434	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	435	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	436	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	437	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	438	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	439	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	440	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	441	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	442	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	443	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	444	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	445	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	446	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	447	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	448	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	449	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	450	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	451	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	452	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	453	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	454	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	455	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	456	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	457	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	458	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	459	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	460	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	461	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	462	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	463	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	464	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	465	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	466	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	467	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	468	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	469	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	470	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	471	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	472	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	473	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	474	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	475	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	476	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	477	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	478	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	479	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	480	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	481	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	482	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	483	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	484	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	485	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	486	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	487	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	488	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	489	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	490	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	491	249	249	249	249
27%	17%	ADTcgs	2.13	3.3	.12	15	492	249	249	249	249
22%	13%	ADTcgs	2.13	3.3	.12	15	493	249	249	249	249

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The headquarters of Siam City Bank in Bangkok. The government took over Siam City and First Bangkok City Bank on Friday.

Thailand Takes Over Two Troubled Banks

Bloomberg News

BANGKOK — First Bangkok City Bank PCL and Siam City Bank PCL were seized by the government Friday, in a sign that the country is getting tough with its troubled lenders.

First Bangkok City, the country's seventh-largest bank, and Siam City, the eighth, were taken over by the Thai central bank after they failed to meet a deadline to raise more capital.

Both were ordered to use most of their shareholder equity to write off bad loans. Siam City was also ordered to replace most of its senior executives.

The takeover of the two banks, with combined assets of about \$94 billion baht (\$12.18 billion), was a litmus test of the government's resolve to strengthen the country's banking industry.

Two years ago, the government took over Bangkok Bank of Commerce PCL to stem a run; two weeks ago, it was the turn of Bangkok Metropolitan Bank PCL. With the two seizures announced Friday, the

government now controls four of the country's 15 commercial banks.

"This completes the process of solving urgent problems in the finance industry," said a Bank of Thailand governor, Chaiyavat Wibulsawadi. "The remaining banks have no urgent problems."

Thailand's banks were weakened by a slump in the country's stock and property markets in the past two years. Then, a devaluation of the Thai baht made it difficult for many companies to repay foreign-currency debt.

Now, the country is teetering toward recession, and up to a third of Thai banks' loans are delinquent by six months or more. Like Indonesia and other Asian countries, Thailand is trying to convince international investors and its own people that its banks are sound.

Thailand did not have much choice. In return for \$17.2 billion emergency credit arranged by the International Monetary Fund last year, the Thai government agreed to close or take over insolvent finance companies.

It was also barred from lending more money to bankrupt lenders.

The central bank, through its Financial Institutions Development Fund, had lent more than 600 billion baht to troubled lenders in an attempt to keep many of them afloat.

As part the restructuring Friday, First Bangkok City Bank was told to wipe out 99 percent of equity, or 9.9 billion baht. The Financial Institutions Development Fund will swap 32 billion baht of loans it made to First Bangkok for new shares.

Siam City must wipe out 90 percent of its equity, or 5.5 billion baht. Old shares are worth a tenth of what they were before.

The central bank will provide 20 billion baht of new equity in loan swaps with Siam City. Its management was also overhauled.

Bangkok Bank of Commerce will lower its assessment of the economy for the sixth straight month, using the term "stagnated" in its February report for the first time since January 1975, when the econ-

Indonesia Forging A Bankruptcy Law

Reuters

JAKARTA — Indonesia said Friday that it was working quickly to set up a bankruptcy law, covering one of the gaps in its strategy to resolve a huge private debt problem.

It also announced that its latest total debt figures stood at \$137.424 billion at the end of 1997.

Private debt amounted to \$73.962 billion of this amount, although only a portion of these loans were believed to be truly problematic members of a committee set up to tackle the issue said.

The government also said, however, that about 10 percent of the 90-million-strong work force could be unemployed by the end of the year because of the debilitating economic crisis.

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad of Malaysia will take to Singapore on Saturday a proposal to replace the U.S. dollar with regional currencies for some Southeast Asian trade.

But the idea, meant to curtail wild currency fluctuations, is unlikely to get a strong endorsement from Prime Minister Goh Chok Toog during the two leaders' luncheon meeting at the Sentosa Island golf course.

Because of Singapore's strong economic fundamentals, high savings rate, control of property booms and managed debt, its currency has remained much stronger than other Asian currencies.

On Friday in Thailand, Mr. Mahathir said that Indonesia, Malaysia and Thailand had agreed to do business with each other in their own currencies as a way of reducing dependence on the dollar.

Mr. Mahathir said the countries would set up a "central clearinghouse" for currency transactions among Association of South East Asian Nations members. ASEAN

comprises Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

"We buy something from you, and you buy something from us," he said of the system. "We just pay the difference."

Mr. Mahathir said that although the trade would involve just the private sector, ASEAN governments would have to oversee the new exchange mechanism.

Mr. Mahathir said he hoped that the plan could be expanded throughout the region, adding that he would propose it to President Fidel Ramos of the Philippines, with whom he was to meet before flying to Singapore.

The idea of using regional currencies for trade was proposed late last year at the ASEAN summit meeting in Kuala Lumpur. Such a policy has been suggested by the ASEAN Free Trade Area, a regional bloc.

But few economists believe it is feasible now. "This may be a part of a wider Malaysian attempt to assert some leadership in the region," said Bruce Gale of Political & Economic Risk Consultancy Ltd. in Singapore.

Mahathir Pushes for No-Dollar Zone

The Associated Press

TOKYO — The Japanese economy has "stagnated" as pessimism among consumers and companies continues to depress spending and capital investment, the government said Friday.

The Economic Planning Agency lowered its assessment of the economy for the sixth straight month, using the term "stagnated" in its February report for the first time since January 1975, when the econ-

omy was reeling from soaring oil prices.

"The situation isn't going to get any worse," said Akira Furukawa of the agency's research bureau, "but it's still going to be dire."

None of Japan's economic indicators points to a recovery, the agency said, with retail sales, home sales, jobs and wages falling and companies having difficulty borrowing from banks.

The Trade Ministry said Friday

that Japan's credit crunch was no longer affecting just smaller companies, with more than 40 percent of large companies now facing tight lending conditions.

Mr. Furukawa said he could neither confirm nor deny that Japan was in recession.

"The risk of the economy improving is about the same as the risk of the economy continuing to weaken," he said. "But it's not going to nose-dive." (Bloomberg, Reuters)

Japan Says Its Economy Has 'Stagnated'

Compiled by Our Staff From Dispatches

GLOBAL: Argentina, a Paradigm of the New Economic Order, Grapples With the Effects of Change

Continued from Page 1

IDENT CARLOS SAUL MENEM COULD FIND — were privatized or sold to international investors as the country embraced free-market capitalism with the vengeance it had once shown in nationalizing everything.

"We're a country of extremes," said Hector Sabato, director of tourism in the southern town of Bariloche. "The old theme of the invading Yankee has given way to the wonderful Yankee driving the global train that you'd better board immediately if you're finished!"

So the shock has been that much greater as globalization has shown its other face. Since the Asian crisis bit, plants have been idled, growth forecasts have been slashed and the Argentine stock market has plunged more than 25 percent — although from historic heights.

"What's frightening," said Jorge Bustamante of Merchant Bankers Associates, the Buenos Aires representatives of Salomon Brothers, "is that however much you scream you're not a region, not the developing world, you're Argentina, you're different, it doesn't matter."

Latin America resembles Asia in its acute dependence on international capital, but in other ways it is indeed profoundly different. The region has been through two financial collapses — the debt crisis of the 1980s and the Mexican meltdown of late 1994. These battered the banking system and left sobered banks, now often in foreign hands. The scope for nasty surprises of the South Korean or Indonesian variety has been sharply curtailed.

"Hot money" — the huge short-term capital flows at the heart of the Asian crisis — has ceded the dominant place it once held in Latin America to longer-term investment, of which now being made by Ford, R.R. Nabisco, Nestle and countless others.

Yet such distinctions appear to have only limited value.

"The financial risks of globalization are a lot bigger than optimists imagined," said Paul Krugman, a professor of economics at Massachusetts Institute of Technol-

ogy. "We are back to a volatile, pre-depression world economy of financial booms and busts quite different from the Cold War years."

In Argentina, this volatility has fueled opposition to what is widely considered neo-liberalism, or *capitalismo salvaje*: the radical application of the free-market model personified by the United States.

Unaccustomed to living with economic pariahs — such as the millions of unemployed in Brazil who have never found a way to join the economy — Argentines are discovering what permanent exclusion from the job market means.

Already a political reaction is evident. An alliance of opposition parties defeated Mr. Menem's Peronist Party in congressional elections in October. If a new crisis enveloped the region, the reaction to neo-liberalism could be violent.

At the headquarters of the Roman Catholic diocese in the city of San Salvador de Jujuy, a sign on the door reads, "We regret that we cannot attend the unemployed here." Bishop Marcelo Palentini is overwhelmed. He sits behind a computer, working a cellular phone and an electronic agenda, but he does not like the modern world.

In the province of Jujuy, estimates, 42 percent of the population is unemployed or doing menial work. People used to ask for raises; now they ask for a job.

Jujuy long had a bloated state payroll, a massively subsidized state-owned steel company, and labor-intensive sugar, tobacco and fruit farms. Then, in the 1990s, the free-market revolution arrived.

The provincial bank was privatized. The power utility was privatized. The postal service was privatized. The steel company was sold to Citicorp Equity, an Argentine investment group 40 percent owned by Citicorp. The phones were bought by Telecom, a private international group. Agriculture was transformed by imported American machines, each replacing 80 laborers during the cane harvest.

Argentina's travails were those of a protectionist, coup-plagued continent. Because the economy had failed so completely, when the Berlin Wall fell and Mr. Menem abruptly decided to undo Peron's leg-

Last year the unemployed let their resentment show. Angry people blocked 21 provincial highways for several days. They beat bunger strikes in which five unemployed men sewed up their mouths. Several people were injured.

The protests eased only after the mediation of Bishop Palentini. He helped to hammer out an agreement creating six-month "work contracts" for several hundred unemployed, who agreed to do menial jobs for \$200 a month.

To look into the vacant eyes of Roberto Angel Garcia is to understand something of the cruelty of the economic upheaval that competing with the world has meant for Latin America.

There is an Americanization of the world. We cannot go in the opposite direction. At last we are going to make America here.

Mr. Garcia was dismissed in 1992 along with thousands of other workers from Citicorp Equity's Aceros Zapla steel plant in the town of Palpalá. Long run by the armed forces, it was legendary for its padded contracts until privatization came. Then its work force was slashed to 709 people from 5,000. The company now produces high-quality special steels and expects to start making a profit this year.

The change will no doubt bring benefit in the long term: Postwar development shows that countries that open to trade ultimately do better. But Mr. Garcia is paying the price for the adjustment.

At 53, he was too young for a pension, too old to find other work. "They told us we were being fired because we were losing money," he said, "but nobody had ever talked about losses before."

Throughout Latin America, industries that could once afford to be inefficient because high inflation, repeated devaluations and scant competition from imports masked their failings suddenly find themselves in

a desperate push for productivity. To be productive — to make more shoes or cookies per employee — generally involves using fewer people and the better machines now available from elsewhere. The job cuts tend to fall on the old, who then join the globally unemployed.

A garrulous union leader in Jujuy, Carlos Santillan, known as El Perro, or the Dog, has become the mouthpiece of the unskilled outcasts.

"Menem thinks that by putting our country at the service of the International Monetary Fund, he brought us into the First World," he said. "But workers have lost in a few years rights they fought for over a century. We're a colony here. All that is missing is to have Clinton come here and plant the American flag."

Indeed the single most potent symbol of the new Argentina is the dollar. For decades, citizens used to start the day by checking the dollar rate. Inevitably the inflation-racked peso had fallen.

After yet another bout of hyperinflation, a currency board similar to Hong Kong's was established in 1991 and a rate of one peso to one dollar was established by law. Not a peso can be printed unless it is backed by a dollar.

Of course the dollar-peso convertibility carries a price. Argentina is expensive. Salaries — about \$700 a month in a factory — are relatively high. It is hard for businesses to compete globally.

Moreover the strong currency, in an open economy, sucks in imports. Entire industries — toys among them — have been wiped out by cheap imports from China, where a worker's wage may be no more than \$40 a month. Argentina, with its exports to Brazil affected by the Asian-induced downturn there, faces a rising trade deficit in 1998.

To offset this, it is essential that international capital, already threatened by Asia, continue to flow — which it will do only if Argentina's productivity continues to rise.

"With the United States as a reference, you have to run all the time," Mr. Bustamante, the banker, said. "Convertibility means you can never relax."

Continued from Page 1

third, to 8.5 million. This fast-rising number and steep increases in prices for many basic commodities have fueled concern that widespread unrest could threaten the stability of the nation.

As Indonesia prepares for the confirmation of President Suharto next month to a seventh five-year term, economic pressures have mingled with political tensions to produce its worst crisis in decades.

The crucial question, as one foreign resident here put it, is: "Can you translate 'I don't have any bread' into 'Damn the government?'" If a factory closes, who does the worker get mad at? Does he curse the government or does he curse his employer?"

The answer among the workers at the Gunawan steel plant suggested that Mr. Suharto's policy of depoliticizing Indonesia has been bearing fruit. During his 32 years in power, the president has co-opted opposition parties, banned grassroots political activity and persuaded most people to leave the government in decades.

The management tried to keep our ship from sinking," he said, "but unfortunately the efforts of the company did not get the support of all of you."

The army commander, Lieutenant Colonel Kadri Kusumitan, put it another way: "Those of you who lose your jobs, don't ask the ones who still have work to join a boycott. I warn you: If you do not do your jobs properly, the company will suffer."

In case any of the workers had missed the message, the police chief, Lieutenant Colonel Sumaryono, said: "We from the police will take firm measures against all people who take such actions. We call on you to stop provocations, stop preventing others from working. After the company reopens tomorrow, we will continue monitoring you."

Then he added the hope of authorites in factory towns around the country: "Those of you who lose your jobs, please go home to your villages."

Only one statement Thursday drew applause — the only statement to offer a bleak suggestion of hope. "From the seeds of suffering," the union representative said, "we can grow a better future."

ASIA/PACIFIC

A Big Spender to Sell at a Loss

But Sino Land and the Ng Family Plan to Weather the Crisis

Bloomberg News

HONG KONG — In the heyday of Hong Kong property, when home prices were rising 50 percent a year, Robert Ng outspent everyone to buy what he wanted.

Now the bill is coming due.

With prices down 40 percent since August and still falling, Mr. Ng and his family, who run Sino Land Co., plan to sell two apartment complexes at a loss to raise cash.

In Singapore, where Robert Ng's father, Ng Teng Fong, built a fortune in property, the Ngs have asked for more time to pay a \$164 million bill to the government.

Sino Land stock, meanwhile, has fallen 48 percent this year as Mr. Ng and his executives have tried to quash speculation that the company might default on debt. The stock finished unchanged on Friday, at 2.48 Hong Kong dollars (32 cents).

"We are not in any financial trouble," said Michael Cheng, the finance director at Sino Land.

Robert Ng is no stranger to struggles.

In the 1987 stock-market plunge, Sino Land lost about \$1.25 million. It took several years to claw its way back.

The Far East Organization, Ng family's Singapore flagship, asked the government to give it more time to pay off a \$164 million bill to the government.

Sino Land said the company probably would not recoup its development costs for a property on Farm Road, in Hong Kong's Kowloon area. Another development will also probably be sold at a loss. But he added that the money-losing sales would be more than balanced by other profitable ones.

The firm will have more than enough cash to cover 1.2 billion Hong Kong dollars of interest payments each year. "Even if you include debt owed by associates,"

Investor's Asia

Hong Kong

NASDAQ

Friday's 4 P.M.
0 most traded National Market securities
s of dollar value, updated twice a year.
The Associated Press

NYSE

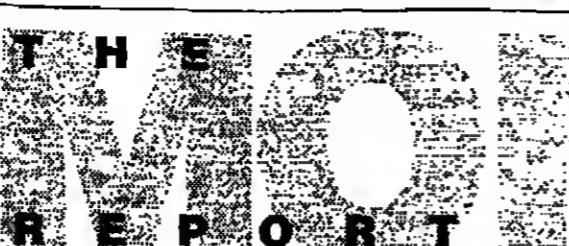
Friday's 4 P.M. Close

(Continued)

(Continued)

12 Month High	Low	Stock	DIV	Yld	PE	52 Wk	High	Low	Loest	Cirgo
174	151	NVNY	.75*	5.5	-	236	170*	176	175*	+7%
169	146	NVNYLP	.86	5.4	-	167	16	157*	16	-
189	146	NVNYQ	1.07*	5.9	-	179	18	173	18	-
195	166	NVNYT	1.11	5.9	-	161	184*	188*	184	-
176	15	NVNYQ	.94	5.6	-	134	169*	166	169*	+1%
179	154	NVYSY	.99	6.7	-	162	174	174	173*	-
184	150	NVPA	1.01*	5.7	-	107	185	178	178	-
161	149	NVPMP	.97	6.1	-	357	16	152*	16	+1%
179	147	NVPML	1.03	6.1	-	118	164	164	169*	+1%
154	134	NVPU	.89	5.9	-	973	151	151	151	-
164	134	NVPUZ	.92	5.7	-	513	169*	166	174*	-
159	124	NVUPM	.74	5.5	-	1037	149	149	149*	-
174	146	NVUCLD	1.02	6.0	-	917	16	151	16	-
169	148	NVUCLP	1.02	6.0	-	101	164	164	162	-
14	14	NVUSF	.79	5.4	-	90	164*	154	154	+1%
155	134	NVSTF	.83	5.4	-	338	159*	154	154	-
496	269	NVA	.53	1.3	-	116	154	154	154	-
24	24	NVC	0.50	1.3	-	3485	274*	232*	254*	+1%
544	404	NVC Edgy	2.64	5.1	-	246	434	24	234*	+1%
12	64	NVHC	1.40	1.4	-	294	524*	516	524*	+1%
428	25	NV GP	.36	.9	-	1695	114*	114	114	-
141	75	NVI	1.25	1.0	-	226	407*	397	394	-
164	91	NVISVLD	-	-	-	554	89*	87*	87*	-
324	74	NVIR	-	-	-	22	175	216	216	-
146	85	NVIR	-	-	-	25	746	108*	108	-
389	155	NVIRWOOD	.04	-	-	20	21*	359*	364*	+1%
251	214	NVIRD	1.81	8.1	-	15	363	224*	224*	+1%
304	204	NVIRP	0.00	3.8	-	11	112*	266*	259*	+1%
717	28	NVIRSY	-	-	-	19	215*	179*	177	-
289	174	NVIRSY	-	-	-	19	210	260	26	-
22	12	NVIRSY	-	-	-	24	207	249*	244	-
145	104	NVIRSY	-	-	-	24	4021	154	149	+15%
289	162	NVIRSY	1.51	4.7	-	18	1055	271*	264	-
405	244	NVIRSY	.52	1.3	-	228	841*	404	405*	+1%
51	51	NVIRSY	1.20	2.6	-	16	1623	466*	455	-
23	13	NVIRSY	2.16	1.9	-	12	1752	155*	155	-
404	33	NVIRSY	2.16	1.9	-	49	7333	539*	539	-
431	234	NVIRSY	.06*	-	-	33	3546	944	431	-
411	288	NVIRSY	6.84	2.4	-	9	94	345*	358*	+1%
278	111	NVIRSY	.40	1.5	-	56	561	279*	275*	-
405	255	NVIRSY	1.20	2.2	-	22	364	198*	198	-
184	84	NVIRSY	.34	5.0	-	16	165	108*	108	-
84	84	NVIRSY	1.20	2.2	-	8	8	444	454*	+1%
294	304	NVIRSY	2.58	5.6	-	10	105	446*	450	-
73	34	NVIRSY	-	-	-	220	476*	476	476*	-
254	154	NVIRSY	.56	2.8	-	45	1095	200*	199*	+1%
211	164	NVIRSY	4.49	1.6	-	17	376	304*	304	+1%
51	301	NVIRSY	4.44	1.4	-	12	496	464*	456	-
20	11	NVIRSY	-	-	-	24	3327	179*	178	-
304	174	NVIRSY	-	-	-	15	2005	264*	264*	+1%
211	13	NVIRSY	-	-	-	19	303	151*	146	-
284	164	NVIRSY	.40	5.0	-	60	220	204*	204*	+1%
161	99	NVIRSY	1.16	1.2	-	4407	154	149	154	-
394	234	NVIRSY	1.20	5.0	-	19	1625	364*	378*	+1%
458	27	NVIRSY	30	1.3	-	24	3025	264*	277*	+1%
P-Q-R										
251	184	PFCG	1.00*	4.2	-	14	4977	204*	204	+1%
206	224	PFCG	1.20	6.7	-	14	4541	204*	204	+1%
233	94	PFCG	1.44	6.7	-	17	476	114*	114	-
74	474	PFCI	.20	.9	-	3	324	697*	687*	-
584	374	PFCI	1.56	2.8	-	17	4221	504*	504	+1%
244	15	PFCI	1.67	7.5	-	51	5197	224*	224*	-
675	484	PFCI	-	-	-	23	2624	616*	60	+1%
244	244	PFCI	2.08	8.0	-	103	2545	255*	255*	-
251	201	PFCI	1.45	3.0	-	10	1031	321*	315	+1%
381	294	PFCI	1.52	3.2	-	13	1779	221	214	-
249	204	PFCI	1.44	7.4	-	16	1340	347*	36	+1%
204	114	PFCI	1.44	7.4	-	2	204	204*	204	+1%
271	227	PFCI	1.89	7.5	-	2	202	204*	204	+1%
271	227	PFCI	2.12	7.5	-	23	259	254*	254	-
271	194	PFCI	1.04	4.4	-	51	2449	249*	249*	+1%
241	241	PFCI	1.93	7.5	-	17	120	251*	251*	-
271	184	PFCI	2.05	1.3	-	13	3079	229*	211	+1%
7	374	PFCI	.010	-	-	24	4	476	476	-
259	197	PFCI	.42	1.0	-	38	304	21	204	+1%
222	194	PFCI	1.56	3.7	-	9	98	251*	251*	-
40	25	PFCI	2.07	2.7	-	27	204	204*	204	+1%
164	61	PFCI	-	-	-	14	144	71*	71	-
81	81	PFCI	-	-	-	10	139	37*	37*	-
204	144	PFCI	-	-	-	11	1191	364*	364	+1%
226	211	PFCI	-	-	-	3	246	6	476	+1%
177	74	PFCI	.32	1.0	-	18	173	351*	212	+1%
517	27	PFCI	6.40	1.2	-	17	4379	454*	454*	+1%
20	211	PFCI	1.40	4.2	-	16	2036	204*	204*	+1%
244	244	PFCI	2.07	2.0	-	10	1217	254*	254	+1%
164	64	PFCI	.019	.019	-	25	254	254*	254	+1%
226	226	PFCI	.019	.019	-	10	1217	254*	254	+1%
164	64	PFCI	1.26	4.5	-	4070	264*	264	264	+1%
211	124	PFCI	-	-	-	21	793	144	144	+1%
704	34	PFGS	-	-	-	49	4578	674*	674	+1%
241	114	PFGS	-	-	-	48	703	137*	126	-
504	216	PFGS	-	-	-	29	2818	379*	379	+1%
109	23	PFGS	-	-	-	16	1655	324*	324	+1%
404	231	PFGS	.30	.6	-	42	11291	674*	555	+25%
274	204	PFGS	1.16	7.4	-	15	1255	687*	676	+25%
83	51	PFGS	1.00	1.5	-	16	1363	567*	558	-
395	271	PFGS	1.03	1.4	-	14	1363	567*	558	-
395	214	PFGS	1.72	4.1	-	16	5170	376*	376	+1%
875	214	PFGS	1.72	4.1	-	16	5170	376*	376	+1%
164	84	PFGS	1.30	-	-	91	94	64	64	-
84	84	PFGS	1.30	-	-	1861	1414	1394	1394	-
204	204	PFGS	1.24	1.4	-	24	4151	350*	350	+1%
204	204	PFGS	1.24	1.4	-	20	2035	454*	454	+1%
84%	55%	PFGS	.45	1.1	-	45	2048	524*	524	+5%
54%	34%	PFGS	.46	1.1	-	30	144	571*	494	-
35%	174	PFGS	-	-	-	24	323	368*	368	+1%
215	125	PFGS	.20	-	-	10	144	223*	223	-
760%	471%	PFGS	.74	-	-	9	94	524	524	+1%
3%	3%	PFGS	.74	-	-	48	22652	814*	793	+1%
47	270	PFI	1.08	2.7	-	51	17495	464*	399*	+1%
854	586	PFI	2.00	2.1	-	10	2035	454*	454	+1%
2554	2114	PFI	0.52	4.51	-	25	366	331*	222*	-
4516	3444	PFI	1.60	3.6	-	17	132379	454*	454	+1%
189%	174	PFI	2.00	2.0	-	23	223	244*	244*	+1%
346	174	PFI	2.00	2.0	-	16	124	524	524	+1%
874	274	PFI	2.00	2.0	-	16	239	687*	676	+1%
525	274	PFI	1.36	2.0	-	12	326	582*	454*	+44%
934	115	PFI	1.5	1.2	-	26	305	123*	121	-
644	644	PFI	24.19	2.0	-	16	1776	74*	64	-
154	644	PFI	-	-	-	872	4	356	356	-
164	644	PFI	.44	1.1	-	17	120	104*	104	-
367	124	PFI	1.22	3.9	-	16	243	311*	211	-
371%	144%	PFI	1.22	3.9	-	10	105	244*	244*	-

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**Quarterly Scoreboard: A Track Record of Investment Advice**

A review of investment tips that appeared in *The Money Report* in the fourth quarter, and subsequent performance of the investments recommended. Prices quoted are from the trading day immediately preceding the publication date listed and in local currency. Analysts' affiliations are provided the first time they are mentioned.

Source	Company	Ticker	Sector	Who	Prediction	Issue	Price then	Price now	Source	Company	Ticker	Sector	Who	Prediction	Issue	Price then	Price now
Examiner	ABE Asia Brown	CAC	Construction	Henry Gross	Buy	Oct. 11	218.00	188.00	Equities	Coca-Cola Co.	COKE	Beverages	Thomas McNamee	Very reasonable	Oct. 11	61.675	64.75
Banker	ABG Global	AGB	Services	Honey Gross	Managing director, Chase Manhattan Bank New York				Equities	Coca-Cola Co.	COKE	Beverages	Robert Petrole	Terence Tenney	Dec. 27	15.50	12.80
Banker	ABN Amro	ABN	Bank	Henry Gross	Buy, first-rate organization	Oct. 11	40.00	41.50	Equities	Compaq Computer Corp.	COMQ	Computer	Thomas McNamee	Undervalued	Dec. 6	165.00	160.00
Banker	ABX France	ABX	Employment company	Michael Levy	Buy for aggressive growth	Oct. 11	527.00	485.50	Equities	Continental Airlines Inc.	CA	Airlines	Wilson Robins	Terence Tenney	Dec. 27	47.975	53.1575
Banker	ABX Germany	ABX	Apparel	Michael Levy	Buy	Oct. 11	238.00	258.00	Equities	Continental Airlines Inc.	CA	Airlines	John Read	Strong general market	Dec. 27	18.00	18.00
Banker	ABC Software U.S.	ABC	Software	Peter Carvalho	Buy, may make a lot someday	Oct. 11	30.00	28.75	Equities	Corporacion Financiera de Mexico	CFM	Bank	Robert Petrole	Terence Tenney	Dec. 27	14.50	12.80
Banker	ABX New Zealand	ABX	Airlines	Karen Barnes	Buy, B shares to buy in next year	Oct. 25	3.80	2.85	Equities	Corporate Finance International Inc.	CFI	Bank	Simon Davies	Buy with a five-year view	Nov. 15	383.00	422.00
Banker	ABX New Zealand	ABX	Bank	Merrill Lynch	Buy	Nov. 29	67.25	76.375	Equities	Corporate Finance International Inc.	CFI	Bank	Simon Davies	Buy with a five-year view	Nov. 15	383.00	422.00
Banker	ABX New Zealand	ABX	Bank	Michael Levy	Buy	Oct. 25	7.40	6.92	Equities	Corporate Finance International Inc.	CFI	Bank	Simon Davies	Buy with a five-year view	Nov. 15	383.00	422.00
Banker	ABX New Zealand	ABX	Bank	Michael Levy	Buy	Oct. 25	7.40	6.92	Equities	Corporate Finance International Inc.	CFI	Bank	Simon Davies	Buy with a five-year view	Nov. 15	383.00	422.00
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THE MONEY REPORT

Quarterly Scoreboard: A Track Record of Investment Advice

Equities	Company	Ticker	Sector	Who	Prediction	Issue	Price then	Price now	Fund	Ticker	Type	Who	Prediction	Issue	Price then	Price now
Security Co.	Security Services	Rajan Deo-Pons	Party of growth	Nov 22	H50.00	Buy/hold			Washington Post Co.	Post Co.	Published	Rupert Bruce	Buy	Oct 19	453.50	488.25
Shibuya Co.	Shibuya Co.	100% Asset Management	Partnership	London					LANTIVIT	Brazil	Emerging market	Rupert Bruce	Buy	Oct 18	24,539	20,971
Schlesinger Ltd.	Oil	Henry Gross	Buy	Oct 11	89.1875	73.0875										
Scenic Technology Inc.	Deserve	Robert Ostein	Buy	Nov 29	22.6975	23.1875										
Selection Corp.	Merrill Lynch	Buy	Nov 29	56.4375	45.25											
Sony Corp.	Electronics	Barbara Tabb	Buy, overvalued	Dec 5	11.800	11.700										
Starbucks Corp.	Coffee roaster	Terry Simonson	Buy, remain healthy	Dec 27	11.300	11.700										
Stasher Mtns Ltd.	Crude oil	Robert Simonson	Buy for 25 percent annual growth	Dec 6	31.75	31.25										
State Investors Fund	Water treatment, distribution	Michael Levy	Buy, world leader	Oct 11	62.00	72.00										
Star Microsystems Inc.	Computers	Richard Davidson	Buy	Dec 27	64.00	73.00										
Starwest Inc.	Chemical	Michael Levy	Buy, now strong and global influence	Oct 11	5.50	5.50										
Starwood Hotels & Resorts Worldwide Inc.	Hotels	Karen Karpman	Buy, shares will rise to 13.500	Dec 27	11.300	11.700										
Stearns Corp.	Food retailer	Terry Simonson	Buy	Nov 29	34.875	34.375										
Stebbins Corp.	Food retailer	Terry Simonson	Buy	Nov 29	34.875	34.375										
Stehly Mtns Ltd.	Crude oil	Robert Simonson	Buy for 25 percent annual growth	Dec 6	31.75	31.25										
Stevens Fin. Co.	Finance	Richard Davidson	Buy	Dec 27	64.00	73.00										
Stevens Fin. Co.	Finance	Richard Davidson	Buy	Oct 11	45.0625	47.5075										
Stevens Fin. Co.	Finance	Richard Davidson	Buy	Dec 27	64.00	73.00										
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WORLD ROUNDUP

The Norman Angle

GOLF Greg Norman's golf game took a nose-dive on Friday after he spent much of the day fending off questions over a possible connection with the Bill Clinton-Monica Lewinsky case.

Norman found his concentration affected so much by the off-course grilling that he shot a one-over-par 73 in the second round of the Greg Norman International tournament in Sydney, leaving him seven strokes off the lead at the halfway stage.

Norman said suggestions that the former White House intern Monica Lewinsky accompanied the president when he visited Norman's Florida home last year were untrue and had deeply upset him. "I should never have been included in this — just because I know the president of the United States they figured I might be fair game," an angry Norman said.

"I feel sorry for the president," Norman added. "What he does in his private life is his business."

Clinton's visit to Norman's home made headlines in March when the president tripped and injured his knee. (Reuters)

3,000 Record Broken

ATHLETICS Daniel Komen of Kenya set a world indoor record of 7 minutes 24.90 seconds in the men's 3,000 meters Friday night at the Samsung Cup international competition in Budapest. It was the second time in a week the record had been smashed. Last Sunday, Haile Gebrsellasie of Ethiopia clocked 7:26.14 in Stuttgart. (AP)

England Is Fired Up

RUGBY England says it sees Saturday's clash with France as the high point of the season. "The adrenaline is surging more than before the games against South Africa and New Zealand when we were the underdogs," Coach Clive Woodward said Friday after England held a training session at the Stade de France, the new French national stadium in a north Paris suburb. "The pitch is perfect," Woodward said of the field that needed 48 hours' special heating to defrost it for the match. (Reuters)

Knoblauch to Yanks

BASEBALL The New York Yankees have agreed to a trade that will bring them Chuck Knoblauch, one of the game's premier second basemen. They have settled on the four minor-leaguers they will send to the Minnesota Twins in exchange, the most prominent of whom is Eric Milton, their top pitching prospect. (NYT)

Graf Aiming for Paris

TEENNIS Steffi Graf will return to competitive tennis at the Paris Open next week after being sidelined for seven months with a knee injury, tournament organizers said Friday. (Reuters)

Austrians Downcast on Downhill**To Rivals' Consternation, Favorites Complain About This and That**

By Amy Shipley
Washington Post Service

HAKUBA, Japan — Weighed down by high expectations in the Olympic alpine events, some Austrian ski team members were in decidedly poor spirits Friday, just 48 hours before Sunday's prestigious downhill event.

Hermann Maier, the Austrian who is favored to win medals in three races, says the Happo one downhill course does not suit him one hit — it's too easy.

WINTER OLYMPICS

Five of his teammates, meanwhile, are fighting over their nation's last Olympic team spot, worried that they won't make the cut for the men's downhill although all are among the world's best skiers.

"I am slow," Werner Franz said somberly, despite finishing in fifth place in a trial run on Friday, 0.49 seconds out of first but not good enough to secure an Austrian team spot.

The Americans, who have learned to celebrate top 10 finishes, seem tired of the grumbling from the Austrians, the undisputed kings of the international hills. While the Austrians settle the agonizing issue of which brilliant cards they will lay on the table for Sunday's downhill, the U.S. skiers — none of whom are favored for a medal — roll their eyes at the Austrians' complaints.

"It's talk," said the American rookie Jason Rosener, who skied to a U.S.-best 10th-place finish in the trial run. "It's the Austrians. The Austrians never perform well at the Olympics. They are

always looking for something to complain about. I don't pay attention. I'm sick of it."

The Austrians indeed have struggled in the last two Winter Olympics, while the U.S. men overachieved dramatically in 1994 with Tommy Moe's gold and silver medals.

The American skiers like to say they play for keeps at the Winter Games.

They theorize that the Austrians are so concerned about accruing World Cup points that they treat the Olympics like any other competition. In the last two Olympics, the Austrian men managed two golds and three bronze medals in alpine skiing, low by that nation's high standards.

Moe, who has not yet broken into the top 20 in a trial run here but won the downhill gold in 1994, has remarked that all the Europeans gripe too much when they leave their home continent. For them, Moe said this week, "the week in Japan is three weeks too long."

On Friday, the only happy Austrian team members seemed to be Andreas Schifferer, who prequalified for a downhill spot, and Hannes Trinkl, who earned a place with his No. 2 finish in a trial Friday. After the trial, Trinkl looked elated that an observer might have thought he had been awarded a gold medal early.

Maier was also given a bye onto the downhill team, but he seems uncomfortable with this newly laid out course.

"Today, I had a lot of problems," Maier said. "I was not so fast today. I hope I'm faster tomorrow and Sunday."

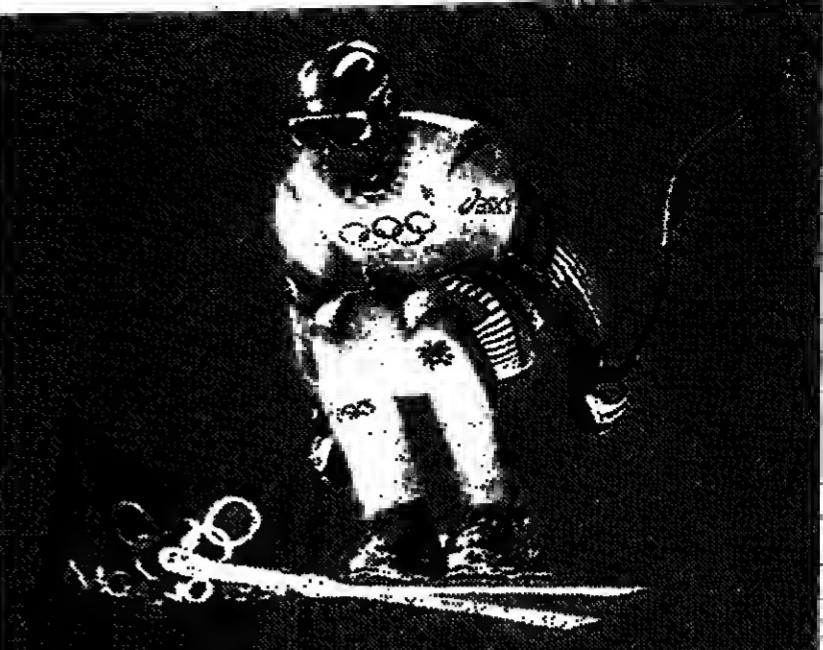
It's flat here. A lot of skiers can win here in the downhill. It's not so technical, so that's a little bit of a problem."

Maier, 25, certainly has proven his ability to overcome. After being rejected by a private ski school in his hometown of Flachau at age 15 because he was too short and had bad knees, Maier landed a job as a bricklayer. In his spare time, he continued training. It wasn't until 1996, when he won a major European championship, that his countrymen began taking him seriously.

Maier wasn't even competing on the World Cup circuit three years ago — he was still laying bricks.

"I was not unhappy, but I looked at all the races and tried everything I could to come back," Maier said. "Now, here I am."

With a huge lead in the World Cup standings, he is expected to become the first Austrian in 28 years to win the overall World Cup title.



Lars Baron/The Associated Press
Hannes Trinkl of Austria on his way to earning a place Friday.

Saying 'Best Games Ever' in Japanese**VANTAGE POINT/GEORGE VECSEY**

NAGANO, Japan — It has been a long time since the Best Games Ever were held — in Lillehammer, Norway, in February of 1994, if any of us can remember back that far.

The Best Games Ever did not take place in Atlanta in 1996, mainly because people were stuck in yellow school buses on the Interstate while the organizers seemed more interested in selling a ton of T-shirts.

When Juan Antonio Samaranch proclaimed the 1996 Summer Games as the greatest Games ever held in Fulton County, Georgia, the damnation-by-faint-praise did not escape the locals.

The president of the International Olympic Committee could say "Best Games Ever" in dozens of African languages, Mandarin and Cantonese, Iroquois, Finnish, Hindi, and is fairly aching to bestow these honors in Japan.

The potentially Best Games Ever were opened Saturday, the closest to the equator of the Winter Games ever held, in a town allegedly with palm trees.

But there is more than enough snow on the mountains ringing Almost Heaven, West Nagano.

This prosaic and friendly little city, elevated to Olympic status by the wisdom of the IOC delegates, did its best Saturday in a sunny and warm morning with a decidedly Japanese touch that included sumo wrestlers, ceremonial wooden pillars, and an emperor and empress.

There was also a shadow hanging over the opening, the threat of a major military action by the United States against Iraq in the next week or two unless there is some resolution of the standoff concerning inspections of weapons.

In the past, Samaranch has made open appeals to "Please, stop the fighting," to whoever was fighting at the moment. He used whatever cachet the Olympic movement has to call for peace in the former Yugoslavia in 1994 as the Winter Games took place in the peaceful snowy hills of Norway.

Then, there were candles flickering along the Storgata, the main street of rustic Lillehammer, and intense Nar-

wegians collecting signatures and Samaranach visited Sarajevo, a sister Olympic city. However, Baghdad is not an Olympic city, and while Samaranach once again called for peace in the world Saturday morning, he seemed to know he was not going to talk the United States out of doing whatever it is going to do.

"Our force is limited, as you know," Samaranach said Friday. "Somebody asked if I contacted President Clinton. The last time we spoke was during the Atlanta Olympic Games. President Clinton is a great president, an outstanding politician, and I am sure he will find diplomatic means to convince Iraq's president to respect international law."

In the not-so-distant past, American presidents and Russian presidents and Cuban presidents have deprived their

4 Years Later, Harding Says 'Sorry' to Kerrigan

The Associated Press

Tonya apologized and Nancy forgave — sort of.

"I would like to apologize again for being in the wrong place at the wrong time and with the wrong people," Tonya Harding said to Nancy Kerrigan during the figure skaters' first meeting since the Lillehammer Olympics four years ago, an interview that was broadcast Thursday night on Fox.

"If I would have known, I would have done anything I could to stop it," Harding said. "It was the attack in which Kerrigan's knee was hit with a collapsible baton by associates of Harding just weeks before the Olympics.

Kerrigan appeared uncomfortable with the apology, and Fox did not show her response. But when Harding apologized again at the end of the interview, Kerrigan did give a half-hearted acceptance.

"I am glad you moved on and I hope that you can find happiness and maybe children can learn from these mistakes," Kerrigan said.

The program featured most of the principals in this real-life soap opera, including the former Jeff Gillooly, who changed his name to Jeff Stone after serving a prison term for racketeering in the attack.

Kerrigan said she could not believe Harding did not know in advance of the plan to attack at the Olympic trials in Detroit. Neither can Gillooly, who said Harding "gave the go sign" — an accusation that Harding denies.

"I could never hurt anyone — ever," she said.

While both women hoped to put the bizarre episode to rest with the interview, they knew that would not happen. "It will always be there," Kerrigan said. "It will be brought up every time there is an Olympics."

THE MORNING AFTER By Manny Nosowsky**SATURDAY, FEB. 7**

OPENING CEREMONY — 11 a.m.
HOCKEY, Nagano — Men: Al Big Hot Italy vs. Kazakhstan, 4 p.m.; Germany vs. Japan, 6 p.m.; Al Agua Wing Austria vs. Slovakia, 4 p.m.; France vs. Belarus, 6 p.m.

SUNDAY, FEB. 8

ALPINE SKIING, Hakuba — Men's Downhill, 10:15 a.m.
CROSS-COUNTRY SKIING, Hakuba — Women's 15km classic, 9 a.m.
FIGURE SKATING, Nagano — Pairs short program, 4 p.m.
FREESTYLE SKIING, Izumo — Moguls preliminary, 1 p.m.
ICE HOCKEY, Nagano — Men: Al Big Hot Germany vs. Italy; 2 p.m.; Slovakia vs. Italy, 4 p.m.; Women: Al Agua Wing Finland, 12 a.m.; United States vs. Sweden, 2 p.m.; Canada vs. Japan, 4 p.m.; China vs. United States, 8 p.m.
LUGE, Nagano — Men's Single, 2 p.m.
SNOW BOARDING, Shiga — Men's Giant Slalom, 9:30 a.m.
SPEEDSKATING, Nagano — Men's 5000 meters, 1 p.m.
All times local.

MONDAY, FEB. 9

ALPINE SKIING, Hakuba — Men's Combined (Downhill, 10:15 a.m.)

BRATHLON, Nagano — Women's 15km, 1 p.m.

CROSS-COUNTRY SKIING, Hakuba — Men's 30km classic, 9 a.m.

SWIMMING, Nagano — Women: Norway vs. Sweden, 9 a.m.; Canada vs. United States, 9 a.m.; Germany vs. Denmark, 9 a.m.; Japan vs. Switzerland, 10 a.m.; France vs. Italy, 11 a.m.; Australia vs. United States, 7 p.m.; Germany vs. Japan, 7 a.m.; Switzerland vs. United States, 7 p.m.; Norway vs. Canada, 7 a.m.; Men: Germany vs. Switzerland, 2 p.m.; Norway vs. Britain, 2 p.m.; Canada vs. Japan, 2 p.m.; United States vs. Sweden, 2 p.m.

ICE HOCKEY, Nagano — Men: Al Big Hot Germany vs. Belarus, 2 p.m.; Japan, 4 p.m.; France, 6 p.m.

LUGE, Nagano — Men's Single, 6 p.m.

SNOW BOARDING, Shiga — Women's Giant Slalom, 9:30 a.m.

SPEEDSKATING, Nagano — Men's 5000 meters, 1 p.m.

All times local.

Olympic Schedule

Continued from Page 1

Winter Games for the first time.

Carrying the flag for the United States delegation, which consists of 196 athletes, was the three-time Olympian Eric Flaim, a speed skater who has previously won two silver medals.

Some 2,000 balloons shaped like doves were released into the air, carrying messages of peace written by the children of Nagano. An underlying message in the third post-war Olympic Games hosted by Japan is its desire to reckon with an expansionist past by promoting a future of peace and friendship.

"The Japanese have a considerable responsibility for the wars of the first half of the century," Keith Asan, the executive producer of the opening ceremonies, said earlier this week. "From that perspective, peace in the century ahead has a particular significance."

The opening ceremonies avoided insistence in favor of simplicity, hospitality and efficiency. As well as a festival of solidarity and athleticism, the Nagano Games are viewed as an homage to the beauty of nature. The exterior of the opening ceremonies stadium is shaped like petals of a cherry blossom, Japan's national flower.

The ceremony began with the solemn ringing of a bell from the Zenkoji temple, the spiritual heart of Nagano. Eight wooden pillars, hewn from trees felled in local forests, were erected in pairs to signify the four gates of the stadium. Akebono, the massive grand champion sumo wrestler, then entered the stadium to perform a purification ritual. Dressed in a linchon in the 40-degree chill, the 516-pound (235 kilogram) wrestler stamped his feet in a ritual driving out evil spirits, symbolically readying the Nagano Games for contests of sportsmanship and fair play.

"Being from Hawaii, I don't know too much about the Winter Olympics," said Akebono, a native of Oahu whose name is Chad Ruan. "It's exciting. We're probably the first sumo wrestlers to ever be in the opening ceremonies."

Sumo wrestlers also accompanied each of the 72 Olympic delegations into the stadium, walking hand in hand with schoolchildren. Included in the parade of nations were Kenya, Azerbaijan, Venezuela, Macau and Uruguay, which were all participating in the

in this clogged city of 360,000, IOC members seemed satisfied that Nagano would avoid the traffic and technological failures of the 1996 Summer Games in Atlanta.

What remains to be seen is whether the IOC appeals for an Olympic truce will hold during the Nagano Games, which end on Feb. 22. The Japanese Foreign Minister, Keizo Obuchi, has urged the United States to refrain from hostilities during what he called the "last sports festival of peace this century."

IOC Votes In 9 New Members

Ira Berkow of The New York Times reported from Nagano:

Nine new members have been voted onto the International Olympic Committee, and two of them were of royal blood. His Royal Highness the Prince of Orange of the Netherlands and His Royal Highness the Prince Henri de Luxembourg.

Seven of the 118 IOC members are official members of royal families.

"I don't think that we are especially well-stocked with members of royalty," said Francois Carrard, the director general of the IOC. "We have a rather large complement of regular people. But I don't see why someone should be barred from membership just because they have a title. That would be reverse discrimination."

The rest of the new members reflect a different makeup of the organization. Two are women: Irena Szewinska of Poland, winner of seven Olympic medals, including a gold medal in the long jump in 1976, and Nawal El Moutawakel Bennouf of Morocco, also a gold-medalist Olympian in the hurdles in 1984.

The others named Friday were Major General Mounir Sabri of Egypt, Melion Sanchez Rivas of Panama, Dr. Leopold Wallner of Austria, Ser Miang of Singapore and Muhammad Moudallali of Syria.

For a long time, the IOC has fought the reputation that it is a melange of snarled shirts, who take an archly patriotic attitude in general and in particular when they smugly decide which cities will get the Olympic Games. The addition of even a pair of royal individuals may not detract from that view.

Solution to Puzzle of Jan. 31-Feb. 1

ACROSS

1 Some callisthenics

7 Hardly stars

14 Promote

20 Avid

21 Japanese art of flower arranging

DAVE BARRY

The Drive to Rage

Miami—If you do much driving on our nation's highways, you've probably noticed that, more and more often, bullets are coming through your windshield. This is a common sign of Road Rage, which the opinion-makers in the news media have decided is a serious problem, currently ranking just behind global warming and several points ahead of Asia.

How widespread is Road Rage? To answer that question, researchers for the National Institute of Traffic Safety recently did a study in which they drove on the interstates highway system in a specially equipped observation van. By the third day, they were deliberately running other motorists off the road.

"These people are MORNINGS!" was their official report.

That is the main cause of Road Rage: The realization that many of your fellow motorists have the same brain structure as a cashew. The most common course, of

This is a serious problem, just behind global warming.

about two dozen to block the entire Mexican border.

What makes the supermarket congestion even worse is that shoppers are taking longer and longer to decide what to buy, because every product in America now comes in an insane number of styles and sizes. For example, I recently went to the supermarket to get orange juice. For just one brand of orange juice, Tropicana, I had to decide whether I wanted Original, Homestyle, Pulp Plus, Double Vitamin C, Grove Stand, Calcium or Old Fashioned; I also had to decide whether I wanted the 16-ounce, 32-ounce, 64-ounce, 96-ounce or six-pack size. This is WAY too many product choices. It caused me to experience Way Too Many Product Choices Rage.

I would have called Tropicana and complained, but I probably would have wound up experiencing Automated Phone Answering System Rage. . . . For questions about Pulp Plus in the 32-ounce size, press 23. For questions about Pulp Plus in the 64-ounce size, press 24. For questions about . . .").

My point is that there are many causes for rage in our modern world, and if we're going to avoid unnecessary violence, we all need to "keep our cool." So let's try to be more considerate. O.K.? Otherwise I will kill you.

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International Herald Tribune

ST. MORITZ, Switzerland — Protected by a helmet, pads on his knees, elbows and fists, and by his own mad daring, the rider careers head first down the iced curves of the Cresta Run on a small metal toboggan aptly called a skeleton. The Cresta Run is at the outskirts of St. Moritz, just past the DKNY shop, or past Bulgari and Vuitton if one takes a longer route. Meanwhile, in the lower town the chaplain at the English church is at the ready to make a house call or a hospital visit.

It isn't quite that simple or frequent, of course, but the Cresta Run and the local Anglican church have

MARY BLUME

been closely tied since the last century and they come together annually at the club hall in London, happily held the same week as the Anglican synod, and weekly at the church's Evensong service. Held between sport and cocktails with no sermon and lots of hymns, Evensong is the ideal Cresta Run service. "The English love to sing, it reminds them of public school," says the chaplain, Brent Fisher.

These days Evensong is the church's sole service and the snug building itself, 125 years old, has been sold to the Swiss Reformed Church which leads it to the Anglicans for the winter season.

Fisher is an amiable American Presbyterian who studied at Princeton, Edinburgh and in Germany. Fluent in German, he came to St. Moritz five years ago as the Reformed Church pastor, then took over the unpaid job of chaplain to the English community when his predecessor retired and there were no funds for a replacement.

"It's just an accident that I happen to be English-speaking. After a fashion of course, for the British," he added. There is no English congregation any more, he says, just guests who happen to be here. He is on friendly terms with the Cresta members' although, unlike his Anglican predecessor, he was a club officer, he wouldn't dream of diving down the Cresta Run.

Speeds can reach 90 miles an

hour, with the rider's face about four inches from the ice. The club's fastest rider, Lord Wrotesley, is in his 20s; Prince Constantin of Liechtenstein still rides at 85. The top of the 1,212-meter run is called Top, curves have such names as Curzon and Brabazon; the most remarkable is called Shuttlecock, and to fly out of Shuttlecock, in club parlance, is not what one wants to do though almost everyone has.

Women rode the Cresta Run back in the 1890s when they had to wear cumbersome skirts, but they have been banned from riding for safety reasons since the 1920s although they can still be members. Only on the last day of the season

is it allowed for women to ride.

Like all clubs the Cresta is exclusive and costly (though as a member pointed out a while back, cheaper than tiger shooting) and likes to see itself as welcoming, within limits.

No members can ride for a fee and

the same level. You get captains of industry and spotty schoolboys — some think they know the answer to everything," Willoughby says of his Death Talk. He has a long aristocratic nose, well-brushed silver hair and a sling fashioned from a blue ribbon for his left arm. He has been out of Shuttlecock 50 times and still rides.

The attraction is fear. "Everyone is afraid and therefore very close," says von Bohlen. "You cannot be competitive because you're all afraid, it's like trench warfare."

"Fear means one gets to know people very well. There isn't a Cresta rider who wouldn't admit to being

Generations of riders have gone to the great Shuttlecock in the sky, but the club retains a time-warp atmosphere. "The appeal is that it is an amateur sport, we believe in comradeship," says Richard Robins, an assistant secretary.

"We're not here to compete in this boring professional way. It's about having a club and all the good things a club embodies."

"It is among the last amateur sports in the world. We take great pride in this," Willoughby said. Since the sport is practiced nowhere else, there is no one to compete against. "We are unique."

"You don't get into the club by your riding. It is an English club, you get in by getting on with people," Willoughby was raised in India, served in Borneo and says he only attends the community's Anglican church at Christmas, when he reads the Lesson.

Not many people do attend the church services these days, except at Christmas. At a recent Evensong there were only seven people but luckily Brent Fisher, who attended choir school at St. Thomas's in New York, has a soaring baritone voice.

Attendance may have been low that evening because of the Burns Night dinner, though it has been known to drop to three. After the service, Fisher as usual served sherry in the manse. Then he donned the clergyman's dress tartan vest (a sort of snubbed Black Watch) and went to join the club members around the haggis, which a killed member had tobogganed down the Cresta Run that morning.



George Bush at the helm of a new Disneyland ride.

PEOPLE

THE founder of the Teddy Bear Museum in Stratford-upon-Avon, England, is trying to broker a deal with the New York City Public Library to bring Winnie the Pooh back to Britain for a visit. Gyles Brandreth, friend of the late Christopher Robin Milne, who was the subject of the children's classics by A.A. Milne, also suggested that the beloved bear could go on a world tour to mark the millennium. "There is no question about it. Pooh and his friends should stay in New York," Brandreth said. But, he said, "He doesn't belong to any country. He belongs to the world.... I'm trying to arrange a compromise for the animals to come to Britain on vacation." The fate of the five stuffed animals has dominated headlines on both sides of the Atlantic this week after Gwyneth Dunwoody, a Labour member of Parliament called for the return of "The Pooh Five." They were donated to New York library 11 years ago by E.P. Duton, the publisher of the original Winnie-the-Pooh book in 1926.

Jean-Claude Van Damme, the kickboxing action-movie star, got a knock-down punch from a former bodyguard, the New York Post said Friday. Van Damme was at the Soho nightclub in New York with a group of friends, when he got into an argument with the former guard, Chuck Zito, who concluded the argument with a single punch that put Van Damme on the carpet. The star managed to leave the nightclub on his own steam, signing autographs on the way out.

Luciano Pavarotti is suffering from hypertension and will be resting until the end of March. The tenor said he had canceled all his engagements and was heading for Barbados with his companion, Nicoletta Mantovani.

The actor Daniel Baldwin was discharged from the New York hospital where he had been treated since he allegedly went on a drug-induced rampage at the Plaza Hotel. He is scheduled to appear in court May 18 on charges of possession of a controlled substance and use of drug paraphernalia.

Former President George Bush took a test ride on the new "Rocket Rods" attraction during a visit to Disneyland in Anaheim, California. Bush later spoke at a Points of Light Foundation dinner at the Disneyland Hotel.

The Portuguese minister for parliamentary affairs was battered in the face with a cod as he opened an exhibition in the northern city of Braga. "That'll teach you how to govern," Antonio Costa's assailant proclaimed as he slapped the minister several times with the fish. After wiping his face, Costa ventured: "He must be the only Portuguese who doesn't like cod."



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